

JPRS 84836

28 November 1983

# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

No. 79

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USSR REPORT  
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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### PROGRESS IN STREAMLINING LIGHT INDUSTRY VIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 37, Sep 83 p 2

[Unsigned article: "On a New Technological Basis: Technical Reequipping of Light Industry: A Review" under the rubric "Scientific-Technical Programs"; passages rendered in all capital letters appear in boldface in source]

[Text] REVIEW PREPARED BY THE DIVISION OF LIGHT  
INDUSTRY AND CONSUMER GOODS, USSR STATE COMMITTEE  
FOR SCIENCE AND TECHNOLOGY.

A special feature of the 11th Five-Year Plan is that it provides for some increase in the growth rate of production in Group B [consumer goods] compared with Group A [capital goods]. This has to be done on the basis of modern technology. To this end, five scientific-technical programs providing for the development and organization of both new types of consumer goods and the equipment needed to produce them are being implemented by the country's light industry.

The importance of planning the development of science and technology on the basis of targeted programs has been re-emphasized in the recent resolution of the CPSU Central Committee and the USSR Council of Ministers "On Measures to Accelerate Scientific and Technical Progress in the National Economy."

#### More Textiles of Superior Quality

The targets of the Program for "DEVELOPING AND ORGANIZING THE PRODUCTION OF NEW TYPES OF PROGRESSIVE TEXTILE-INDUSTRY PRODUCTS ON THE BASIS OF NEW TYPES OF RAW MATERIALS AND HIGHLY EFFECTIVE TECHNOLOGICAL PROCESSES AND EQUIPMENT COMPLEXES" provide that a total of 32,500 tons of new yarn, 175 million sq m of new fabrics and 4.7 million knitwear products bearing the "N" label will be produced in 1985.

To eliminate the industrial use of fabrics of cotton and other natural fibers, the program specifies measures to build new types of equipment for the manufacture of nonwoven materials by progressive techniques, as well as rotary lines for the manufacture of laminated nonwoven materials with surface densities of from 20 to 120 grams per square meter. The production of translucent polyamide and laminated sewing thread is envisaged.

The second program deals with "DEVELOPING AND ACTIVATING AUTOMATED SPINNING, WEAVING AND KNITTING OPERATIONS AS WELL AS THE AUTOMATED PRIMARY PROCESSING OF NATURAL TEXTILE FIBERS ON THE BASIS OF EFFECTIVE TECHNOLOGICAL PROCESSES AND COMPLEXES OF HIGH-SPEED AUTOMATED EQUIPMENT AND AUTOMATED PROCESS CONTROL SYSTEMS". This concerns a "bundle-tape" rotary line, computer-controlled pneumomechanical spinning machinery with chambers rotating at speeds of up to 60,000 RPM.

This program provides for constructing rotary lines for the manufacture of union-cloth yarn and sections for wet spinning of flax based on the use of automatic process control systems and new spinning techniques. Such automated spinning and weaving operations increase labor productivity by a factor of 1.5 to 2, compared with 1980, and markedly improve working conditions.

The introduction of the pneumomechanical method of spinning was continued. The share of pneumomechanical machinery in the overall pool of spinning machinery rose to 20 percent compared with 16.8 percent in 1981 and 8.8 percent in 1980.

Since the beginning of the 11th Five-Year Plan dozens of pneumomechanical spinning machines for woolen and flax yarn have been built. Their introduction in the industry will inaugurate the application of progressive techniques of spindleless spinning in the wool and flax subsectors.

Unfortunately, at certain enterprises this equipment is not being used effectively enough. Ruptures of yarn thread amount to 130-140 an hour per 1,000 pneumomechanical workstations, which exceeds the norm by a factor of 2-2.5.

Yarn of the same quality category, when produced on BD200-M69 machines, ruptures more than twice as often at the Goriyskiy Cotton Combine as at the Klaypeda Cotton Association, while at the Kalinin Cotton Combine it ruptures nearly three times as often as it does at the Ivanovskaya Spinning-Weaving Factory imeni Dzerzhinskiy. The laggards should utilize more fully the advanced knowhow of the leading work collectives.

At many enterprises pneumomechanical spinning machinery is operated at speeds that are markedly below the designed speeds. This concerns in particular the Alitusskiy and Kalinin cotton plants and the "Vozrozhdeniye" Spinning-Weaving Association.

As envisaged under the program, automated process control systems have been put into operation at the weaving shops of the "Krasnyy tekstil'shchik" Serpukhov Cotton Combine and the Ivanovskiy Worsted Wool Combine imeni V. I. Lenin.

High-productivity shuttleless equipment serving to improve working conditions and increase labor productivity by a factor of 1.3-1.5 is being intensively introduced in weaving operations. The share of pneumatic, pneumatic-foil and micro-shuttle weaving machines in the cotton industry in 1982 had reached 40.1 percent; shuttleless weaving machines in the silk industry, 53.5 percent, and in the wool industry, 83.5 percent.

The "Krengol'mskaya manufaktura" and Alitusskiy cotton combines exploit fully the technical and economic advantages of the new shuttleless weaving

machinery. But certain enterprises are not utilizing that machinery as effectively. This is due to poor engineering preparations, delays in retraining personnel, failure to adhere to equipment maintenance rules in the basic and auxiliary shops and poor monitoring of the quality of the yarn supplies. Thus, at the Kirovabad Textile Combine imeni F. E. Dzerzhinskiy of the Azerbaijan SSR Ministry of Light Industry and at the Goriyskoye Cotton Association of the Georgian SSR Ministry of Light Industry the productivity of pneumatic-foil machinery is only slightly higher than that of weaving-shuttle machinery.

A broad variety of high-speed large-diameter multi-system machinery is being developed for the knitwear industry. This machinery is equipped with automatic follow-up systems assuring the optimization of knitting processes. Among other things, the enterprises will be provided with "Interlok" type round-knitting machinery that has a knitting rate of 1.7 meters per second, as well as with electronically controlled round-knitting Jacquard machines. The organization of the series production of the new high-speed automatic knitting machines will reduce in half the labor-intensiveness of knitting operations and serve to organize the automated production of knitwear.

The third program, "DEVELOP INTENSIFIED TECHNOLOGICAL PROCESSES AND CONSTRUCT COMPREHENSIVE PROGRAMMED-CONTROL ROTARY LINES FOR THE HIGH-GRADE FINISHING OF TEXTILES", provides for constructing, for the cotton industry, automated linen fabric production sectors that encompass the entire cycle of processing from the preparation of raw material to the manufacture of finished products.

The program envisages the construction of a rotary line for bleaching cotton linen fabrics in tentered form, as well as of a line for finishing operations, with both lines to operate at speeds of up to 200 meters per minute and to be equipped with automated process control based on microprocessor technology. Prototype tests have been carried out at the Ivanovskiy Cotton Combine.

The program also provides for constructing a comprehensive rotary line for finishing garments manufactured of a union cloth consisting of a mixture of wool with Lavsan. This will serve to improve markedly the quality of garment fabrics--their imperviousness to wrinkling, softness, and "hairy" feel, which is not assured by the existing finishing techniques. The Krasnodar Worsted Wool and Cloth Combine has done a great deal of work to complement that rotary line. Unfortunately, at present the fulfillment of this task is being hampered by the failure of the "Mostrikotazhmash" [Moscow Knitwear Machinery] Association to provide a shearing machine equipped with a moistening device.

In addition, the program provides for developing and introducing, in various subsectors of the textile industry, the instrument method for computing dye recipes, which would make it possible to broaden the color range of materials and optimize the variety and consumption of dyestuffs.

#### Clothing and Footwear

The garment industry, with its still high share of manual labor, is implementing the scientific-technical program "DEVELOPING STANDARD TECHNOLOGIES AND CONSTRUCTING EQUIPMENT COMPLEXES FOR THE MANUFACTURE OF HIGH-QUALITY MASS TYPES OF CLOTHING AT ENTERPRISES". The replacement of sewing machines with semi-automatic base machines equipped with dismountable sets of



attachments will serve to automate up to 70-80 percent of all assembling operations and improve the quality of the products.

The program provides for constructing systems for the automated design and cutting of garment sections. This will streamline the use of materials. High-productivity complex-mechanized lines for garment sewing, based on the use of semi-automatic equipment, increase labor productivity by 27-30 percent. A number of semi-automatic base machines and their modifications for the performance of the principal garment-assembling operations as well as sets of equipment for the steam-processing of garments make labor more productive by 30-50 percent.

The Kursk "Shveya" Production-Garment Association has effectively introduced a complex-mechanized line for the fabrication of men's shirts, which served to increase labor productivity by 26.7 percent, conditionally relieve 37 workers, expand output and save 57,000 rubles a year. At the same time, however, the "Zhenskaya moda" [Women's Fashions] Moscow Garment Association (director: T. Barkanov) used its newly instilled complex-mechanized line to manufacture women's dresses according to models that are not in fashion.

The implementation of the program "DEVELOP EFFECTIVE TECHNOLOGICAL PROCESSES AND EQUIPMENT FOR THE FABRICATION OF HIGH-QUALITY FOOTWEAR BASED ON NEW TYPES OF NATURAL AND SYNTHETIC MATERIALS" will assure improving the quality and broadening the variety of footwear, reducing material consumption by 2 percent and increasing labor productivity of comparable operations by a factor of 1.5-2. Certain related solutions are fundamentally novel and are being developed in the USSR for the first time, including high-productivity semi-automatic lines for the adhesive method of fastening and the technology for the production of polymeric footwear.

A prototype model of the PLK-3-0 line for manufacturing school footwear with the aid of adhesive compositions has been built in Leningrad. On the basis of its interdepartmental tests the line has been recommended for series production.

The Ivanovskiy Scientific Research Institute of Coatings and Manmade Leathers, USSR Ministry of Light Industry, jointly with the Institute of Nuclear Physics, Siberian Affiliate of the USSR Academy of Sciences, has developed a technology for manufacturing manmade leather with the aid of ionizing radiation. Pilot production has been organized. The introduction of the new technology will result in intensifying the process of vulcanization by a factor of 2-3, reducing the cost raw materials by 10 percent, improving the performance of materials and improving working conditions. The savings thus achieved will amount to 500,000 rubles per million square meters of manmade leathers.

Altogether, under these programs, the organizations of the USSR Ministry of Light Industry have carried out 56 projects since the beginning of the five-year plan, inclusive of the development of 32 new technological processes. The organizations of the Minlegpishchemash [Ministry of Machine Building for the Light and Food Industry and Household Appliances] have drafted blueprints for 19 types of equipment, built 20 prototype models, organized the series production of 5 types of new technological equipment, and tested and accepted for series production 35 types of new equipment.

## Laggards, Catch Up!

Not all participants in scientific-technical programs are fulfilling their tasks promptly and completely. The Minlegpishchemash (deputy minister: G. Kurganov) has been slow to solve the problem of the series production of machinery for the fabrication of nonwoven laminated materials. An experimental center for recycling the wastes of textile production into cloth and yarn has not been prepared at the administration for developing the wool industry (chief: V. Romanov) of the USSR Ministry of Light Industry.

So far a pilot-industrial model of a single-process machine for making synthetic laminated sewing thread still has not been constructed, and this threatens the fulfillment of the task and the program as a whole. The "Orel-khimtekstil'mash" [Orel Chemical Textile Machinery] Association has not provided on schedule the input data needed by the GPI-3 [expansion unknown] and the Dzerzhinskiy Affiliate of the "Giprogazoochistka" [State Institute for the Planning of Gas Purifying Installations] in order to design a sector for the production of laminated threads. The association has not completed the pilot-industrial model needed for testing by the "Krasnaya nit'" Leningrad Spinning and Thread Combine.

The Minlegpishchemash has not adhered to the target date for assembling and testing a tape-aligning mechanism in an experimental model of a drying machine, and it has not carried out technological tests. This affects adversely the fulfillment of the tasks for the chemical refining of flax fibers.

The Moscow Leather Combine detected flaws in the design of the automated pilot-industrial equipment developed by the Leningrad SKB-KOM [Special Design Office for the Planning of Leather and Footwear Machines] for manufacturing footwear from polymers. The footwear thus produced displays defects. The recipe for the polymers and the polymer-coating procedures have to be perfected.

The USSR Ministry of Light Industry should pay special attention to the unjustified delays in developing the planned variety of new types of footwear and their specifications and prices.

1386

CSO: 1827/314

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### MORE GOODS PRODUCED; SHORTCOMINGS REMAIN

Moscow EKONOMICHESKAYA GAZETA in Russian No 38, Sep 83 p 17

[Article by V. Aleksandrov, engineer: "For Household Use--Production Of Goods Increases, But the Shortcomings Remain"]

[Text] Machine-building enterprises, including enterprises of the Ministry of Construction, Road, and Municipal Machine Building, are doing a great deal to help satisfy the population's growing demand for cultural and personal goods and household items.

The branch has been assigned the task of increasing the production of consumer goods 2-fold from the 1980 level by 1985. The assignment is basically being fulfilled. This year the ministry's enterprises will provide the trade network with 1.4-fold more goods than were provided 3 years ago.

Improvements in the planning system are contributing to this progress. In the past assignments by list were set for only a limited group of goods, accounting for not more than 6 percent of the total production volume. The plants frequently mastered the production of random assortments of goods and produced an unjustifiably large list of products.

Two years ago a comprehensive plan was worked out to eliminate such shortcomings in the branch. This plan calls for the priority, accelerated development in the branch of the production of three categories of products: mechanized and hand tools (construction and installation, joinery, carpentry); small-scale labor mechanization means, gardening and horticultural tools and implements; household fire-fighting equipment.

A substantive study has been made and on the basis of it specific assignments have now been established for each association and plant for the development of production capacities, the creation of prospective models of complex household equipment and the mastery of their series production. A branch technical assortment laboratory and a permanent exhibition of goods have been created in the interest of studying market conditions more thoroughly, assessing the commercial qualities of the items produced and selecting new items for production.

Certain positive results are already in evidence. During the period 1981-1982 the production of 114 new or modernized models has been mastered and 60 items



in limited demand have been removed from production. The portion of the total output accounted for by complex household equipment has increased from 24 to 36 percent, and the State Emblem of Quality has been awarded to 73 products, compared with 54 in 1980.

Regional conferences are contributing to the study of demand. In June of this year, for example, the Ministry of Construction, Road, and Municipal Machine Building, together with Gosplan, Gossnab, the State Committee for Prices and the Ukrainian SSR Ministry of Trade, conducted a conference of directors of branch enterprises located within that republic. An exhibit of all the goods being produced or whose production is being mastered by the enterprises was set up to coincide with the conference. The Ukrainian SSR Ministry of Trade, in turn, arranged an exhibit of those items for which the demand is not being fully satisfied. Additional agreements were concluded as a result.

The branch technical assortment laboratory selected more than 80 fundamentally new items of equipment for mechanizing labor, the minimum demand for which exceeds 300 million rubles, and recommended them to the plants for production. Series production of 11 sets of attachments for the dual-speed, electric hand-drill was begun, among other items. The sets include 18 different types of drill adaptors.

Preparations are now being made for the production of 13 models of completely new electric tools—multi-purpose and with the rotating speed of the working element electronically regulated.

New types of consumer goods include units for processing agricultural products and preparing feed, heat-supply equipment and modern fire-fighting equipment, including automatic equipment.

Similar examples could be cited for other machine-building branches. The annual growth rate for the production of consumer goods is between 12 and 20 percent for each of the eight branches. More than 90 percent of the enterprises are engaged in producing them. While in the past all of the machine-building branches together produced 14,000 different items, the assortment will be increased by another 1,700 items this year.

In recent years the ministry has begun devoting greater attention to the creation of specialized enterprises, shops and sections. In 1981 and 1982, for example, capacities were placed into operation for the production of consumer goods totalling around 300 million rubles. Capacities for the production of 10,000 heavy motorcycles and 250,000 children's bicycles were placed into operation at plants of the Ministry of the Automotive Industry; capacities for the production of 22 million rubles worth of typewriters and timepieces were placed into operation in the Ministry of the Machine Tool and Tool Building Industry; and capacities for the production of 4.5 million rubles worth of enameled metal dishes, bathroom fixtures and automobile accessories were started up in the Ministry of Chemical and Petroleum Machine Building.

In the Ministry of the Electrical Equipment Industry specialized capacities are now adequate for the production of cultural and personal goods and household

items totaling almost a billion rubles. Technical retooling or reconstruction of specialized sections and shops is underway at 99 enterprises of this branch in 1983.

Production of the "Desna" washing machine is being set up in the Armelektromash Association. The ministry's workers are now working more effectively to regulate the assortment of similar, technically complex items, create series standardized by type and parameters and reduce the number of different models through unification.

A great deal is being done to reduce the energy consumption of the equipment produced. Two special, comprehensive programs have been worked out in the branch: one for electric lighting devices and one for electric heating equipment. Realization of the programs will enhance the technical level of the appliances and conserve electric energy.

The assortment of goods is being actively renewed in the Ministry of Instrument Making, Automation Equipment, and Control Systems. More than 30 percent of the items produced in the ministry are replaced annually. A total of 320 million rubles worth of improved goods with enhanced performance features was produced last year alone, and the quantity of these produces will be doubled this year.

A study of the situation has shown that not all existing reserves are being put to use, however. The machine-building workers can and must do a great deal more to provide the population with consumer goods.

The portion accounted for by these goods in the total production volume is increasing slowly. The figure is only 2.2 percent for the Ministry of Power and Electrification, 2.5 percent for the Ministry of Chemical and Petroleum Machine Building and around 3 percent for the Ministry of Heavy and Transport Machine Building. We have to say that consumer goods production is still treated as a secondary matter at a number of enterprises.

Below 30 kopecks worth of consumer goods is produced in the machine-building branches for each ruble of the wage fund. The only exceptions are the Ministry of Automotive Industry, which provides motor vehicles for sale to the population, the Ministry of Instrument Making, Automation Equipment, and Control Systems, which manufactures timepieces and jewelry, and the Ministry of the Electrical Equipment Industry, which produces electric lighting devices and electric household appliances. Some of the enterprises are still producing no consumer goods at all. There are 20 such plants in the Ministry of the Machine Tool and Tool Building Industry and 15 in the Ministry of Chemical and Petroleum Machine Building.

Some of the products are of poor quality. The portion accounted for by products in the highest quality category in the total volume of consumer goods production is increasing extremely slowly. It is only 6 percent in the Ministry of Heavy and Transport Machine Building, 7 percent in the Ministry of Chemical and Petroleum Machine Building, around 10 percent in the Ministry of Power Machine Building and 17 percent in the Ministry of the Machine Tool and Tool Building Industry.

We cannot consider to be adequate the scale and the rates at which the production of improved consumer goods, which are in greater demand, is being mastered.

While production volume assignments are being exceeded, the plan for range of items is not. During the first 6 months of this year the Ministry of Power Machine Building shorted the trade network by 199,000 stainless-steel place settings and more than 87,000 ski fasteners; the Ministry of the Electrical Equipment Industry fell short by 20,000 vacuum cleaners, 14,000 storage batteries, around 33 million galvanized components and batteries for electric household appliances, and more than 21,000 electric kettles.

Soviet machine building has great production capabilities and skilled workers. The Soviet people have the right to expect it to increase the production of well-made, attractive goods.

11499

CSO: 1827/25

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### UKRAINIANS VOICE COMPLAINTS ABOUT DEFECTIVE FOOTWEAR

Kiev RADYANS'KA UKRAYINA in Ukrainian 29 Sep 83 p 2

[Interview with Donetsk footwear industry people by RU correspondent N. Novoselov; date not specified: "Letter Prompts a Trip: Defective Shoes"]

[Text] "I, as surely others of my countrymen as well, am astonished at the following sight: it is always crowded around the shelves of stores or departments where shoes are sold, but many do not come away with new purchases. You almost always hear the same explanation: 'These shoes are useless -- both unattractive and poor quality.' These comments are made most frequently about the products of the Donetsk Footwear Production Association."

The author of this letter to the editors, M. Dement'yev, a driver residing in Khartsyzsk, has in mind the quality of footwear in the broadest meaning of the word, that is, not only quality of construction and reliability but, as he goes on to say, "attractiveness of appearance, so one does not have the embarrassing experience where shoes or sandals imported from a distant shoe factory, sometimes even made of inferior materials, sell like hotcakes, while ours sheepishly hug the shelves."

As it happened, we received this letter from Khartsyzsk not long after an incident which was connected to a considerable degree with the problems he mentions in his letter. Concerned by the fact that demand for good-quality shoes is running appreciably ahead of capability to meet this demand, the people at the Donetsk Wholesale-Retail Association of the Vzuttya firm conducted a fairly representative survey of product variety and quality of goods manufactured by the Donetsk Production Association, which is a major supplier -- 26-27 percent of its total production. In the course of this survey and in subsequent interviews with persons involved in manufacture, quality control and sale of shoes to the public, we were able to clarify to a certain degree the points brought up by our correspondent.

A. Okushko, director of the Vzuttya trade firm: Since they are in direct contact with consumers, trade workers, on the basis of studying customer demand, are increasing demandingness on shoe manufacturers. I am talking about an increase in production in general, prompt and timely product list updating, and quality of shoe construction and appearance. Toward this end we set up a



council to study consumer demand, the membership of which included representatives of the Donetsk Footwear Production Association. The council is functioning and issuing fine recommendations, but many of these recommendations are not being carried out. Especially "unlucky" are those which are directed toward improving quality in the broad meaning of the word.

I. Tyshchenko, general manager of the footwear production association: It is no secret to anybody that while shoe manufacturers are supposedly being adequately supplied with leather and other materials, we are regularly short-supplied high-quality materials, as regards grade category and color variety, a fact to which we have repeatedly drawn the attention of Ukrobuvtrom.

S. Kostenko, administration chief, State Product Quality and Trade Inspectorate in Donetsk Oblast: Obviously with limited stocks of high-quality leather goods, every pair of reject shoes only makes the situation worse. And yet the Donetsk shoe manufacturers are having problems precisely with the quality of their work (I emphasize -- work!). Last year alone, specialists just from our administration, making spot checks, classed as rejects 1,370 pairs of various footwear. And the quality of the goods was not the determining factor; all were rejected due to manufacturing defects, such as shoes differing in length and height, poor lasting on toe and heel, parted stitching, soles coming unglued, etc. In addition, last year inspectors at the association's shoe factories sent back 533,000 pairs for additional work or reworking, and 133,000 pairs in the first quarter of this year, that is, in both cases more than 11 percent of total production volume.

A. Okushko: I can add to the above that the flow of defective shoes from the Donetsk Association is unfortunately not being hindered by the production-line quality control inspectors. Last year, for example, examination by our commodity appraisers resulted in rejection and return of 53,000 pairs of shoes to the association, for which the enterprise paid 163,000 rubles in penalties. Nor has anything changed this year.

T. Cherkasova, Makeyevka department store department head: There are indeed many complaints about the quality of locally-manufactured shoes, and mainly over quality of manufacture: manufacture is slipshod, and the shoes are unattractive and of outmoded style. But I do not believe we should point the finger at the materials. All of us are familiar with many instances where those same Donetsk shoe manufacturers have given the public truly fine products which, just like the "imports," have not gathered dust on the store shelves. In particular, I am referring to ladies' shoes with a polyurethane sole and stylish wedge heel, so-called children's "gusariki," children's crepe-soled sandals, etc.

I. Tyshchenko: The association workforce does a great deal of work on developing new footwear models and is endeavoring to expand the variety of models. Not all good intentions, however, are successfully implemented. One serious hindrance is inadequate acquisition of reliable equipment. As a rule installed production equipment is rather old, while new equipment obtained on the basis of Gosstab supply orders contains technical deficiencies. In addition new equipment is supplied in limited numbers, as a consequence of which we

frequently have several different manufacturing processes represented on a single production line, which leads not only to loss of work time but also loss of product quality. The situation is also quite poor as regards equipment for setting up manufacture of stylish and ordinary models: we must fabricate the equipment ourselves, although we have virtually no facilities or equipment to do so -- during all the years the association has been in existence, for example, we have not received a single metal-cutting machine tool.

S. Kostenko: All this is true, and these matters must be addressed by the Ministry of Light Industry, planning and supply agencies. What has been stated above, however, by no means removes culpability from the management of the Donetsk Production Association. What, if not lack of quality control on their part, can explain the shocking fact that even goods bearing the Seal of Quality or the index "M" also find their way into the category of defective rejects? And "find their way" is too mild an expression, because last year more than 11,000 pairs of such footwear were rejected as substandard. Here is a rather annoying fact: on 6 April of this year 93 of 100 pairs of ladies' stylish shoes bearing the index "N" in the trade firm's warehouse were rejected as unacceptable!

A. Okushko: The whole problem is that the shoe manufacturers place primary emphasis on gross production: plan targets should apply only to quality of manufactured footwear and ruble value of total sales. A total of 190 models were designed for this year. The artistic design acceptance council approved 164, but only 104 models were displayed at the trade fair, and 82 models have been ordered into production. As you see, the number has been reduced to less than half right at the outset. This is followed by the typical failures to meet orders, as a result of which very little of that which was promised by the shoe manufacturers actually reaches the consumer. In the first quarter, for example, 4 models scheduled for market failed to appear, while 39 models reached the retailers behind schedule. And that is not all. Changes in the product mix, made in the process of meeting retailer orders, have become chronic, and not only for the Donetsk Association but also for other of our Ukrobuyprom suppliers. Last year, for example, our trade fair purchases were "adjusted" by more than 40 percent by the shoe manufacturers. And so we load down the shelves of our stores with goods which are not in consumer demand....

Correspondent: Following up on Comrade Dement'yev's letter, I visited a great many stores where shoes are sold, talked with all "interested parties," blushed when "imported" shoes were selling like hotcakes while ours "sheepishly hugged the shelves," although it is true that I also saw lines for Donetsk footwear. I reached the following conclusions: high demand is always guaranteed for those goods which have been made by the careful, sensitive hands of craftsmen. On the other hand, goods stamped with the mark of callousness, indifference, and drabness are ignored, "sheepishly hug the shelves." And there is no need to look for any other, "highly objective" causes. But as regards shortcomings in supplying equipment, raw materials in general and the most "salable" raw materials components, including relating to color, Ukrobuyprom should show greater concern and prompt efficiency.



## HOUSING AND PERSONAL SERVICES

### REVISED HOUSING CODE DISCUSSED

Moscow IZVESTIYA in Russian 23 Jul 83 p 1

[Article by V. Khalyapina, Honored Jurist, and A. Titov, Jurist: "The Right to Housing: New Priorities for Allocation of Housing; Increased Dwelling Area Norm; Citizens May Register for Better Housing Both at Place of Residence and at Place of Work]

[Text] The 1977 USSR Constitution included the right to housing for the first time among the basic socio-economic rights of Soviet citizens. This Constitutional provision required detailed implementing legislation. Following the adoption of the Principles of Housing Laws of the USSR and Union republics, preparation of housing law codes began. Currently these codes have been ratified in most of the Union republics.

The recent session of the RSFSR Supreme Soviet adopted the RSFSR Housing Law Code which encompasses the principal provisions and norms regulating housing relations on the republic's territory.

The code specifies the tasks of housing legislation in the RSFSR as well as the competences of the RSFSR and the autonomous republics as regards the regulation of housing relations, and it determines the powers of local Soviets of people's deputies regarding the utilization, maintenance and administration of the housing stock.

Pursuant to the Principles of Housing Laws, the code affirms the right of citizens to receive dwellings in accordance with the established procedure and inhabit them in perpetuity, in buildings belonging to the state and public housing stock, as well as in buildings owned by the ZhSK [housing construction cooperatives].

The code affirms the principle that no one may be evicted from his dwelling or restricted in the right to use it unless valid reasons exist and the legal procedure is followed. It provides that citizens whose housing conditions need to be improved are to be, as a rule, provided with a separate apartment per family in buildings belonging to the state and public housing stock.

The eligibility requirements for citizens who need better housing are specified (Article 29 of the Code). These requirements apply equally to citizens dwelling in buildings belonging to the state and public housing stock as well

as to those living in their own homes and the homes built by the housing construction cooperatives.

One of these requirements deserves special discussion: a family is eligible if it lives in a dwelling whose area per family member is below the level specified by the council of ministers of an autonomous republic or the executive committee of a kray or oblast Soviet of people's deputies or of the Moscow or Leningrad city Soviet of people's deputies. This means that the level in question (the minimum norm) will be determined by the executive committees of the Soviets of people's deputies as a function of the average dwelling area available per citizen. For example, at present this per capita norm has been set at 6 sq m for Krasnodar Kray and at 8 sq km for Novosibirsk Oblast. It should be emphasized that the fact that a family's dwelling area is below the norm (12 sq km) in itself still does not make that family eligible for better housing.

The housing law code reflects the assumption that work collectives participate in solving the problems of bettering the housing conditions of working people. The sequence in which citizens are allocated housing depends on an objective criterion: the date on which eligibility for better housing is granted and registration for new housing performed (Article 33). At the same time, the code specifies that in certain cases (breaches of labor discipline, drunkenness, hooliganism, etc.) the management of an enterprise, institution or organization may, upon consulting the trade-union committee, postpone to a later date the release of dwellings to affected individuals.

For certain categories of citizens the law provides for priority in the allocation of housing. These categories include: veterans of the Great Patriotic War and the families of killed or missing military personnel (including partisans) as well as persons with equivalent rights; persons afflicted with severe forms of certain chronic diseases; disabled workers and military personnel in disability categories 1 and 2; blue- and white-collar workers with a long record of conscientious work in the sphere of production; mothers bearing the honorific "Mother-Heroine," families with many children (with three and more children, as defined for the first time in the code); and certain other categories of citizens (Article 36).

The housing law specifies cases in which dwellings may be allotted on an emergency basis (Article 37), namely, to citizens whose dwellings become uninhabitable owing to natural disasters, as well as to citizens who end their stay in a state-run children's institution or with relatives, guardians or foster parents who brought them up, if it is not possible to return to them the dwellings from which they had originally been transferred to the children's institution, relatives, guardians or foster parents.

The code specifies the procedure for granting housing priorities, on establishing that the names of citizens who have the right to priority and emergency-basis allocation of housing are to be inscribed on separate rosters. Accordingly, the executive committees of the local Soviets of people's deputies, enterprises, institutions and organizations should maintain several separate rosters of persons needing better housing. Depending on the size of the dwelling area newly released for occupancy, part of the dwellings should be set aside for the citizens with priority rights thereto.

The code sets at 12 (instead of 9) the per capita norm of dwelling area.

This norm has been set in accordance with the present-day requirements of sanitation and communal hygiene. The revision of this norm will affect the quarterly rent paid by tenants. Once the RSFSR Housing Law Code becomes effective--on 1 January 1984--quarterly rent payments will be prorated on the basis of 12 sq m per capita, plus 6 sq m (one-half of the norm) per family member, along with a higher charge (currently triple) for any extra dwelling area.

Increasing the dwelling area norm will, in our opinion, affect the size of the area allotted. The norm's upper limit has been set at 12 sq m per capita. The minimum size of the allocable dwelling area will be established through a procedure to be determined by the council of ministers of the Union republic.

The housing law code broadens the rights and safeguards of the Soviet people as regards the assurance of housing and the utilization of dwelling premises.

Now citizens who need housing can register for it simultaneously at the place of their residence (at the executive committee of the local Soviet) and at their workplace (enterprise, institution or organization), under Article 30 of the code.

An important amendment has been made as regards the procedure for settling dwellings that become vacant. Pursuant to Article 46 of the code, a vacant dwelling unit in an apartment inhabited by several tenants should be allotted to the citizens already living in that apartment or, in their absence, to persons whose dwelling area is below the established per capita norm (here an allowance is made for the right to extra dwelling area).

A person who does not occupy his or her dwelling may be deemed to have forfeited the right thereto only following judicial proceedings (in all cases) (Article 61).

Like the Principles of the Housing Law, the housing law code prohibits the occupancy of excess dwelling area or the forced relocation of citizens to smaller dwelling areas. Only the tenant himself, insofar as he or she occupies a dwelling area in excess of the established norms, and upon the agreement of his or her family members, has the right to demand of the executive committee of the local Soviet, or of the enterprise, institution or organization to which the building belongs, that he be allotted, through the established procedure, a dwelling of smaller area than he or she currently occupies.

For the first time, the law specifies cases in which the member of a housing construction cooperative may be excluded from the cooperative (Article 123). It also specifies the procedure for the exchange and division of dwellings in buildings built by housing construction cooperatives.

The law also regulates aspects of the utilization of dwellings in privately built homes, the preservation, maintenance and repair of housing, and many other related matters.

Of course, a single newspaper article cannot describe all the benefits of the housing law code. But it can be confidently stated that now we have a good law which will promote further improvements in housing legislation.

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CSO: 1827/305



## HOUSING AND PERSONAL SERVICES

### WAITING FOR RADIO, TV REPAIRS LOSES WORK TIME

Kiev PRAVDA UKRAINY in Russian 6 Aug 83 p 2

[Interview with A. U. Kuzenko, chief engineer of the Kiev "Bytradnotekhnika" Production Association, by Ya. Oleynichenko, correspondent of PRAVDA UKRAINY, in article: "If the Screen Darkens...You Asked Us to Tell You"; date and place not specified]

[Text] What is being done to improve the repair of radio and television sets? What new forms of television servicing have been introduced, and how are they convenient for the customer? What are the rules for renting? These and many other questions interest V. Kononenko, B. Savkova, N. Polishchuk and many other readers.

Ya. Oleynichenko, our correspondent, met with A. U. Kuzenko, chief engineer of the Kiev "Bytradnotekhnika" Production Association and interviewed him.

[Question] Anatoliy Ustinovich, first of all, tell me what measures are being taken so that the owner of a broken television would experience as little trouble as possible.

[Answer] We are trying to make most of our repairs at the owners' homes. This figure already exceeds 90 percent, and this year it should reach 91 percent. I understand that at first such a comparison may cause a smile, but 1 percent equals 5,000 television sets. Every day we accept approximately 3,000 orders for repair. If the repairman who responds to the call cannot eliminate the trouble, he transfers the order to the mobile repair shop, which has the capacity to conduct practically any kind of repair on the spot, including replacement of the picture tube. Incidentally, last year we replaced more than 500 picture tubes at the owners' homes.

But let us start, so to speak, at the beginning. For most of our customers, this is telephone 0-87, our central dispatcher service. It is not complicated to call it; there are an adequate number of lines. Ten dispatchers using these lines fill out the orders in minutes. You will be asked when it would be convenient to wait for a repairman, and you will be told the

number of your order and the name of the dispatcher. All of this information will be put in the computer, and by the end of the day, the computer will turn out a printed sheet for each section. These are the route sheets for the repairmen for the following day; they are immediately distributed among the shops.

We were the first in the country to introduce this computer-assisted dispatcher service. The service has been expanding for a year and a half and now serves all rayons on the right bank of Kiev, with the exception of Moskovskiy Rayon and parts of Pecherskiy Rayon. Soon, of course, we will cover them, too. Out of 3,000 daily orders, the central dispatcher services accepts up to 1,800.

Similar services are already operating daily in Donetsk, Dnepropetrovsk, and Zaporozhye and are being organized in Odessa.

[Question] At the same time, this unfavorable criticism is still common: We have to sit home half the day until noon, waiting for the expert. Is it possible to give more precise information to the customers, who often lose their work time waiting for the repairman?

[Answer] Strict limitations have been introduced: Customers with urgent repairs are given a two-hour waiting time, and those with the usual repairs are given 3 hours. The repairman must not come later than 3 days for a usual call, and for an urgent call, he must come either the same day (if the order was received before 12 o'clock) or on the following day. In the first case, the repair will be 40 percent more expensive, and in the second case, 30 percent. All of our services work until 8 pm and also on Saturdays. As far as an urgent case is concerned, it receives service both on days off and holidays. In addition, we have organized an information service which operates until 9 pm and can suggest the best solution to the customer.

Another form of service which has won deserved recognition is a subscription system. Here, thanks to planned preventive inspections, the time spent is reduced to a minimum. Obviously, there is a financial profit: The monthly fee for servicing a black and white television is 1 ruble and 5 rubles for servicing a color television. And all breakdowns, including replacement of the expensive picture tube, are included in this fee. Such a form of service is being introduced in many cities of the republic.

[Question] There are cases where the repairman after having inspected the television, throws up his hands and says that the problem is a faulty antenna, but that is not his concern.

[Answer] We are now conducting a major systematic overhaul of the antenna department in many rayons of the city. We are installing equipment to transform decimeter transmissions. After such an overhaul, which is carried out through housing managements, the television owners will be able to watch four programs.

[Question] Many readers are interested in the rental system.



[Answer] It is gaining more followers. In Kiev, for example, more than 50,000 families use its services. And rental service is operating in practically all oblasts of the republic. The rental conditions are really advantageous: After 6 months of continuous renting of a television set, the renter receives a 10 percent discount (from the total monthly payment), and then a similar discount is set for every 2 years, until the monthly payment (for a color television) would be less than 5 rubles. In this system, we pay for absolutely all types of repairs, transportation and other costs. And what is more, the days during which the television is broken are subtracted from the total monthly payment. Incidentally, after 8 years of continual use, the set's owner may, if he wishes, keep the set as his own, as if it had been purchased.

One more thing: I recommend timely rental payments, since there is a 0.1 percent penalty for each day overdue.

[Question] The conditions really interest many people. Why are they so poorly publicized? Even in rental centers the rules, the customers' responsibilities and even the table of fines are rarely on display.

[Answer] We will take that into account, along with the many other defects which hinder excellent and regular service.

12478

CSO: 1827/309

## HOUSING AND PERSONAL SERVICES

### NEW BOOK DISCUSSES ROLE OF CONSUMER COOPERATIVES

Moscow POTREBITEL'SKAYA KOOPERATSIYA SSSR: OPYT I REZERVY (NOVOYE V ZHIZNI, NAUKE, TEKHNIKE: SERIYA "TORGOVLYA I BYTOVOYE OBSLUZHIVANIYE") in Russian No 10, Oct 83 (signed to press 16 Aug 83) pp 3-5, 5-59, 59-62

[Foreword, text, and table of contents of book "USSR Consumer Cooperatives: Experience and Reserves", by Nikolay Ivanovich Supotnitskiy, first deputy chairman of the Board of the USSR Central Union of Consumers' Cooperatives, Izdatel'stvo "Znaniye"; 57,770 copies, 63 pages]

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#### Foreword

Realization of the USSR Food Program is directing the work of consumers' cooperatives toward resolving the major, key questions in the development of agricultural production, in reorganizing everyday life in rural areas, and in bringing the social and economic living conditions of workers in the city and country closer together. The work of all the country's cooperative organizations and enterprises--from the USSR Central Union of Consumers' Cooperatives to rayon consumers' societies, individual stores, and cafeterias--is now concentrated on meeting these goals.

The efforts of cooperative members are directed, in the first place, toward making substantial improvements in the entire system of commercial services for the rural population. Without a broad network of rural stores and cafeterias, it is impossible to provide normal working, living, and recreation conditions for agricultural workers. Well-organized cooperative trade is an important, integral part of the measures being taken to achieve a social reorganization of

rural life, and to increase labor productivity in agriculture. The quality of commercial services plays an important role in keeping personnel on the job in rural areas and in reducing the migration of young people from rural areas to cities.

In the second place, cooperative organizations and enterprises are vigorously expanding their activities tied to the procurement and production of agricultural products and raw materials, their primary processing, and the development of cooperative industry. This makes it possible to increase the country's food resources and improve the supply of agricultural products to the workers.

Specific measures implemented by consumers' cooperatives are based primarily on two special programs; the first of these calls for comprehensive rationalization of the work of cooperative enterprises and organizations; the second calls for an increase in commodities resources.

The comprehensive rationalization program is directed at making substantial improvements in services and at full utilization of internal reserves to increase the efficiency and quality of work, with the least expenditures and extensive reconstruction and technical re-equipping of enterprises, utilizing contemporary technology and scientific methods of labor organization and management.

The special program for increasing commodities resources calls for a set of measures tied to material and financial resources, for increasing the production output of cooperative industrial enterprises, developing purchases of agricultural products and raw materials, expanding the production of meat in subsidiary farms, expanding subsidiary fishing, and fuller development of wild resources.

The first stages in the realization of these programs confirm that consumer cooperatives have at their disposal the necessary conditions for their fulfillment. During the first two years of the 11th Five-Year Plan cooperative organizations on the whole fulfilled the plans for retail goods turnover in the trade network; public eating facilities; state purchases and purchases at arranged prices for the majority of types of agricultural products and raw materials; cooperative industrial production output; livestock fattening; and poultry production. The production of goods at individual industrial enterprises, the production of meat at cooperative fattening farms, and the inclusion of agricultural products in the procurement circulation made it possible in 1981-1982 to obtain a total of 22.4 billion rubles' worth of food resources. In 1982 there was a 24 percent increase in this indicator over the 1980 level.

At the same time there are unutilized opportunities in the work of consumer cooperatives for increasing the level of their activities. Last year for example, a fourth of all the stores of the Central Council of Consumers' Cooperatives did not fulfill the plan quotas for goods turnover. This indicates that far from all of the available resources are being utilized.

The efforts of the Central Union of Consumers' Cooperatives and cooperative agencies, being guided by party decisions, are focused on providing new stimulation for activities directed at improving the welfare of the Soviet people; on doing everything possible to develop initiative and enterprise, strengthen discipline, and actively stimulate high-quality, productive labor. A reliable way to increase the efficiency and quality of labor is to follow the experience of leading cooperatives.

#### The Food Program for Cooperative Members

Between 1982 and 1990 the following projects will be built: stores with a total commercial area of 4.9 million m<sup>2</sup>; bakeries that will put out 17,000 tons of bread products per day; public eating facilities with seating for 420,000 people; refrigeration units for 193,000 tons of produce and warehouses for 638,000 tons of potatoes, fruit, and vegetables.

During the current five-year plan the country's cooperative organizations will purchase agricultural products at prices that have been agreed upon; they will produce and put into circulation food commodities valued at 57 billion rubles.

During the 11th and 12th Five-Year Plans consumer cooperative enterprises will increase the output of sausage products by a factor of 1.5; their production of canned goods will increase by a factor of 1.4; and the production of confectionery items will increase by a factor of 1.7.

#### Stores in Rural Areas

Quite a bit has been written about trade in rural areas. A great deal of attention is given to this important economic and social issue in the practical work of local party and soviet organs. It is far from always, however, that a differentiated approach is taken toward this problem, in conformity with rural workers' demands for specific types of goods. The huge volume of goods available for sale to the population includes items that are needed everyday, durable goods, technically sophisticated articles used in everyday life, fashionable clothing and shoes, and specifically "rural" goods, such as gardening tools, forestry and construction materials, and so on.

With all the varied approaches taken to organizing trade of different types of goods, each rural rayon should have a unified, efficient, and effective system for commercial services.

The basic links in this kind of system are the stores in small towns and villages selling "Everyday Demand Goods", and the commercial delivery of various products to rural residents. The next level up consists of commercial complexes in the central facilities of kolkhozes and sovkhoses and in settlements, which perform the functions of interfarm centers. Finally, there are department stores and a network of specialized stores in rayon centers. At all levels of this commercial services system there should be efficient division of labor among the trade enterprises and the population should know where, when and what it can obtain within the territory of the rayon.



A large number of the stores in the rural commercial network are small enterprises with little commercial space at their disposal. In the past they have been called "shops" or "rural stores". The variety of goods available in the stores was limited to basic groceries, small household articles, and notions. Sometimes expensive items would be available here, but they did not always find buyers among the rural residents.

Today this network of small rural stores has undergone a radical reorganization. This particular type of store has been given a long but accurate name: "Everyday Demand Goods" stores. Usually stores of this type are divided into three categories depending on the specific features of the settlements and the size of the store's commercial space; their assortment of goods varies accordingly. The stores always sell bread and other bakery products, groats, sugar, confectionery products, canned goods, and other food products. Industrially produced goods in these stores usually include dishes, household supplies, notions, perfumes, school and writing supplies, work clothes, and shoes. Today consumers' cooperatives have over 100,000 stores of this type. One out of every three cooperative stores is a store of this kind. Their average commercial space is about 55 m<sup>2</sup>. They are usually staffed by 1 or 2 sales clerks.

Many small towns and villages, however, have not succeeded in forming even small stores like this, meant to supply goods needed everyday. The Central Union of Consumers' Cooperatives, in order to correct the situation, conducted a single accounting of the commercial network according to groups of settlements. It was discovered that in settlements with up to 50 residents, and in approximately two-thirds of the villages with 51-100 residents, there is, as a rule, almost no permanent commercial network. Only one-third of the rural settlements with 101-200 residents have a permanent commercial network. Starting with villages of over 200 people, there is a sharp rise in the proportion of settlements that have a commercial network. But in these groups, there are still quite a few settlements that are without permanent stores: in the group of settlements with 201-500 residents, about 20 percent are lacking permanent stores; in the group with 501-1000 residents, there are about 13 percent without permanent stores; and in the group with 1001-2000 residents, 5 percent lack permanent stores.

How can this problem be resolved? In the first place, during the current five-year plan a significant number of new stores to meet everyday needs have been built and are under construction, primarily in settlements which were previously without a permanent network. It should be noted here that while the minimum commercial space for a new store used to be set at 150 m<sup>2</sup>, now a model store plan with 56 m<sup>2</sup> of commercial space has been developed especially for small settlements and villages. It is not difficult to build this type of store. There are often opportunities to utilize and adapt some existing facility that is not in use.

There is a model plan for a building that includes an apartment for the sales clerk; this is a reasonable idea in the construction of remote rural stores and it has already been put into use in some areas. It is clear that under rural conditions, when the hours of a store's operation must be especially flexible in order to adjust to the rhythm of the population's work and leisure hours,

there are definite advantages to putting the commercial space and an apartment for the sales clerk under the same roof. Furthermore, this also provides better preservation of goods and material valuables. Often the sales clerks in remote stores also perform procurement functions.

In the second place, it is of great importance in expanding the rural commercial network for kolkhozes and sovkhoses to utilize their own resources to build stores, with subsequent payments coming from the consumer cooperative's funds. This kind of cooperation makes it possible to put new commercial enterprises into operation more quickly. It provides a unified policy for placing the commercial network so that each rural store occupies a specific place in the commercial services system, and so that each rural settlement has its own store. In order to achieve this goal, cooperative members, together with local unions of consumers' cooperatives and agricultural organizations, are working out according to an agreement a model for the development and distribution of the rural commercial network; they are coordinating their work closely with rayon planning and long-range plans for the construction of rural settlements.

In several small villages another form of service has proved effective; it is the system of creating "stores at home". This involves getting one of the village residents to work as a responsible official of the cooperative who receives the everyday demand goods and sells them to the population. A certain sum is paid to the individual for performing this work, expressed as a percentage of the goods turnover; and the individual is reimbursed for all expenses.

The so-called "stalls without sales clerks" or "honor system stalls" have also been used at livestock farms, field camps, and other agricultural work sites. The responsibility for selecting the goods and collecting the receipts is usually assigned to brigade accounting clerks or other workers to whom the cooperative organizations pay a certain compensation based on a percentage of the goods turnover. Of course, the important factor here is not the extra earnings, which are not great, but the formation of conditions for providing people with better services. It is very convenient for rural workers to obtain salt, matches, sugar, soap, and other everyday items in stalls like this; they do not waste time travelling to large population centers just to get these items.

The delivery of goods to residents plays a substantial role in the commercial services in small towns and villages. There are over 25,000 mobile stores and delivery trucks in the consumer cooperative system. The task at hand is to see that they make regular, strictly scheduled rounds to permanent villages and settlements and provide guaranteed commercial services to remote areas. The sales clerks in the mobile stores have been given the responsibility of providing goods to the "stores at home" and the "stalls without sales clerks", and of filling advance orders.

Specialized "mobile retail" trade enterprises have been formed in a number of the unions of consumer cooperatives. Efforts are being made to find better organizational forms for replenishing the stocks of remote rural stores and mobile stores. Special warehouses have been created for this purpose at many



inter-rayon depots; they are being used to house the product assortment for stores selling everyday-use goods. Portable, motorized storage units are fulfilling these same functions in a number of areas.

Members of consumer cooperatives in Moscow Oblast, for example, are demonstrating a business-like, directed approach to organizing good commercial services for residents of small settlements and villages. Commercial services for small settlements and villages without a permanent commercial network were improved here after the issue of strengthening work on the social reorganization of rural areas was discussed in the beginning of 1983 at a plenum of the oblast party committee and a session of the oblast Council of People's Deputies. Residents of these settlements were assigned permanent stores located nearby (1.5-2 km away); and the operation of the mobile stores was improved.

Today in Moscow Oblast there are about 800 small settlements. There are 150 mobile stores to serve these settlements. Schedules for the sale of everyday articles in these settlements have been worked out and approved. At the same time, in collaboration with kolkhozes a program has been outlined for speeding up construction of new stores for these everyday articles, and for creating "stores at home" in several villages.

In Rostov Oblast, with the aim of improving services for livestock workers and field workers, 2000 base-stores have been established that have cooperation contracts with farms; and over 1000 stalls without sales clerks have been formed. A mobile network (of 350 mobile stores) is operating according to schedules approved by the rayon soviet executive committees. Rayon operational headquarters are set up during the livestock wintering season, the spring sowing, the harvest, and the feed procurement periods in order to guarantee an uninterrupted supply of goods to agricultural workers directly at their work sites.

The Estonian Union of Consumer Cooperatives has also had an interesting experience in serving small settlements. Here "LAZ" [Lvov Bus Plant] buses that have been taken out of service have been converted to self-service mobile stores. The buses are no longer suitable for carrying passengers, but after they are refitted they can be used efficiently to provide commercial services in remote settlements. Special technological processes and equipment have been developed for the mobile stores. The customer goes into the mobile store where some of the goods (flour, groats, sugar) are sold out of small containers, and other goods are sold from specially designed cartridges. One self-service mobile store like this can replace up to 15 permanent stores in small and remote settlements. This experience has been put into practice in Krasnodar Kray and Gorkiy Oblast in the RSFSR, and in several oblasts in the Ukraine, Belorussia, and Kazakhstan.

What can be done about goods that come in a wide assortment and cannot be sold in every village? The problem is not only a shortage of commercial space, but also the sale of goods of this type requires that a good selection be available. For example, a good selection of clothing means that various types, sizes, styles, lengths, and colors be available. This kind of selection can be offered only when there is a certain concentration of goods, such as that

found in department stores or specialty stores. The central facilities of kolkhozes and sovkhoses are the first places in the system of rural settlements where this kind of concentration is possible. Here there is a different type of rural retail trade enterprise--the cooperative department store. Today in the consumer cooperative system there are more than 500 department stores. It is true that not all of them meet all the needs yet, even though their average commercial space over the last 10 years has grown from 300 to 474 m<sup>2</sup>. This is still not enough for the current volume of goods.

Department stores with a commercial space of 650-1000 m<sup>2</sup> are needed not just in rayon centers, as a rule, but also in the central sovkhos and kolkhoz facilities. This space is needed in order to offer a wide assortment of clothing, shoes, fabrics, and cultural, personal, and household goods. Various services should be provided here: fabric needs to be cut; clothing needs to be fitted; goods for newlyweds should be sold and delivered to their homes. Correspondence centers are being set up at these department stores so the population's demands can be studied; extensive information on new goods is being organized; and various means of advertising are being utilized.

Depending on local conditions at the central kolkhoz and sovkhos settlements, book stores and specialized stores for industrial goods and food products can be set up. An efficient way of organizing the operation is to unite all the settlement's stores and the public eating facilities in a single commercial center. Model plans for commercial centers, that take into account the population of the settlement, have been developed and are being put into practice.

A higher concentration of trade in goods that require a broad assortment can be achieved in the so-called inter-farm (or cluster) centers and in rayon centers. In each rural rayon, as a rule, it is easy to isolate several inter-farm centers toward which nearby settlements and villages gravitate. The rayon centers are especially important. Many of them, in terms of administrative classification, are considered cities. But these small towns have strong ties to the rural areas of the rayon and to the economy and everyday life of the rural workers. A rayon center has real opportunities to provide the rural population with the majority of services that it needs.

It would be wise to form larger department stores in the rayon centers and to supplement them with a network of specialized stores. With this aim, model plans were developed for department stores with 1650-3500 m<sup>2</sup> of commercial space. As a rule, the sale of goods in department stores of this type is organized according to consumption groups. All the department stores have special rooms for newlyweds, special services bureaus, small rest areas for customers, and cafeterias.

One of the progressive directions in the development of the cooperative trade network is the formation of trade complexes that is being implemented by building new commercial enterprises and reconstructing existing ones.

Cooperative members in Uzbekistan are working actively to create complexes of this type. The "Dustlik" ["Friendship"] commercial center in Tashkent Oblast, for example, consists of two well-organized buildings--a department store with

720 m<sup>2</sup> of commercial space and a restaurant with seating for 100 people. The two buildings form a unified architectural and technological complex. In Andizhan Oblast a number of commercial complexes have been built that consist of a department store with up to 1000 m<sup>2</sup> of commercial space and a store<sup>2</sup> for selling technically sophisticated articles and furniture, with 400-500 m<sup>2</sup> of commercial space.

Depending on local conditions, these complexes can include stores that were built earlier; the existing buildings can undergo reconstruction and then they are combined with the new buildings to form a unified ensemble of commercial enterprises. In Kuva, a rayon center in Fergana Oblast, a commercial center was formed by finishing and rebuilding the existing department store, food store, and tea house; it is a single building with 3200 m<sup>2</sup> of commercial space.

In Ilyintsy, a rayon center in Vinnitsa Oblast, the newly built commercial complex has a women's and a men's clothing salon, each with 400 m<sup>2</sup> of commercial space. They have over 1000 different types of clothing and knitted goods, and various accessory articles. As a result of having such a large concentration and assortment of goods, the proper conditions are created for a good selection of products and the per capita sales indicator is high. Similar commercial complexes have been created in a number of rayons in Brest, Voronezh, Minsk, Novosibirsk, Rostov, Cherkassy, and other oblasts.

Recently there has been a significant increase in the sale of technically complex goods in rural areas. Every year the consumer cooperative trade network sells over 2 million televisions; the same number of radio receivers and record players; over 600,000 motorcycles and motor scooters; 2.5 million bicycles, motorbikes, and mopeds; more than 1.6 million refrigerators; 1.3 million washing machines; and about 500,000 vacuum cleaners.

Cooperative organizations are expanding the network of stores of a new sort that are called "Tekhnika", in order to provide good conditions for the sale of technical items. There are now about 1000 of these stores, which means that they are operating in about one-third of all the rural rayons. The concentration of technically complex goods in specialized stores makes it possible to raise the commercial standards, provide customers with qualified technical advice, and improve the sale of spare parts. These stores are staffed by more experienced personnel who are specialists in the sale of technical goods.

In addition to providing the population with conveniences, the "Tekhnika" stores have high economic indicators. In several stores of this type there are departments for the "young engineer" which are very popular. The "Tekhnika" stores accept old televisions in trade from customers buying new televisions, and they give the customers an appropriate discount on the price of the new set. They also select the necessary spare parts; they familiarize the customers with the technical features of the products; and they help make repairs.

Consumer cooperatives have also gained a considerable amount of experience in the specialization and concentration of furniture sales. Cooperative organizations have 2800 furniture stores and furniture showroom/stores. In



Gorodishche, a rayon center in Cherkassy Oblasts, there is a showroom/store that has, in addition to the salespeople, two joiners who work on eliminating minor defects in the furniture and on assembling the furniture. The furniture sets in the showroom are arranged as if they were actually in living rooms, bedrooms, and kitchens. A wide range of accessory items are also sold there, such as chandeliers, lamps, curtains, rugs, and so on.

The "Contemporary Housekeeping" and "Everything for the Home" stores are distinguished by an even higher level of services. There are still only a few of these stores--just 100--but they have already become very popular in rural areas. The basis for the product assortment of these stores is an extensive set of goods for the home: furniture (sales are made from display models); household appliances (refrigerators, washing machines, vacuum cleaners, floor polishers, and so on); chandeliers; lamps; small electrical appliances; drapery material; kitchen utensils; and equipment for finishing and painting apartments. There has been a substantial increase in the number of stores of this type in all the republics.

Recently the network of "Children's World" cooperative commercial enterprises has been growing rapidly. There are already 1100 of these stores. In the Uzbek Union of Consumer Cooperatives all the rural rayons have stores of this type. As a rule, these stores are distinguished by their particular layout and original interior design. Many of them have pools for inflatable toys, demonstration stands for mechanical wind-up toys, and play areas for toddlers. The most important thing is that these stores offer everything to meet the needs of children of all ages.

The development of individual residential construction in rural areas, and an increase in marketable stocks of goods has created the proper conditions for a significant increase in the sale of lumber and building materials and goods for production operations. In 1981-1982 cement sales made through the retail trade network of consumer cooperatives grew by 34 percent; roofing slate sales increased by 28 percent; glass sales increased by 9 percent; the sale of brick, lime, whitening, alabaster, and other local building materials grew by 7 percent; and the sale of lumber and other building materials increased by 6 percent.

Cooperative organizations are building an extensive network of store/warehouses to sell these products. Central store/warehouses are being set up with spur railroad tracks and the necessary materials handling equipment; this will make it possible to receive, store, and sell factory-made prefabricated houses, sets of home components, window glass, and other articles. These central store/warehouses usually serve 3 or 4 nearby rayons. There are also smaller store/warehouses operating in each rural rayon. Many of the stores that sell household goods also have special departments for selling lumber and building materials, and sanitary engineering equipment. Some of the responsibilities of this trade network include determining the population's demand for industrial household products, selling these goods, and providing various services, such as processing, cutting, and finishing lumber; cutting window glass, and so on.

For example, a store/warehouse in the village of Pravda, outside of Moscow, has several pavilions located on an asphalt lot (about 3000 m<sup>2</sup>), where demonstrations are given using models of products on sale. They are arranged



according to consumption groups. Here rural residents can obtain the necessary lumber and finishing materials, joinery products, bricks, cement, glass, and sanitary engineering equipment; there is also a broad selection of gardening tools. The store/warehouse has a shop for processing lumber and preparing a large assortment of joinery products (plinths, platbands, decorative moldings, and the like).

In Voronezh Oblast there are over 40 store/warehouses that sell building materials and articles for farming private plots. A specific products list has been worked out for each of these enterprises, based on the size and particular characteristics of the population served by the store, the presence of a gardening association in the area, and a number of other factors. All the enterprises carry a broad assortment of accessory articles.

The Keyla consumer society in the Estonian SSR has a rural commercial center that consists of two stores--"For the Peasant Farm" and "For the Home". These stores are united in a complex that also includes a spacious area for selling building materials. There are also "mini-complexes" in the commercial center--"For Tilling the Soil"; "For Tending Garden Crops"; "Equipment for Mechanizing Agricultural Operations"; "For Tending Domestic Animals"; "For Storing and Processing Agricultural Products"; "For the Home Workshop"; "Home Repair Equipment"; "For Heating and Lighting the Home and for Food Preparation"; and so on. A total of 1000 different types of goods are available. Agricultural literature is also included among the assortment of articles for sale. There is extensive trade in fertilizers, advance orders are received, and specialists provide advice. There is a special display stand for models of small-scale mechanization equipment that has just been developed by industry; the purpose of the display is to determine the demand for the new items. A trolley hoist has been installed in an auxiliary building for transferring freight; there are freight carts and automatic loading equipment.

Another interesting and efficient way of specializing the rural commercial network is the formation of specialized "Sporting Goods" and "Music" stores. They contain a broad assortment of the corresponding items; conditions have been created for systematically following the demand for certain products; and various customer services are provided. With regard to book stores, many of them are not only places to sell printed materials; they are also cultural centers of sorts. They conduct readers' conferences, book exhibits, and meetings with authors. For this reason many of the book stores are called store-clubs.

More and more consignment stores are opening in rural areas; here people can buy and sell household articles. What was once a privilege of city-dwellers--the opportunity to use consignment stores to sell household articles that are no longer needed--is now available to many rural residents as well. These stores are not only convenient for the population, they are also economically efficient. The "Gifts" stores have been well received in many rural rayons. These stores do not require a large amount of commercial space, and they are very popular.

The network of stores serving the rural population will continue to be improved in the future. The Central Union of Consumers' Cooperatives has worked out a

plan for expanding the commercial network in rural areas. The plan is to put at least 4.9 million m<sup>2</sup> of commercial space into operation between 1982 and 1990.

Special attention is being given to creating a contemporary commercial network in the central settlements of kolkhozes and sovkhozes, in their production centers (departments), and in small settlements that have been without any permanent stores. Models for the development and distribution of retail trade enterprises are being worked out in detail in republics, krais, and oblasts; an effort is being made to provide maximum coordination with prospects for the development of agricultural production, rayon planning, and plan models for the social and economic development of kolkhozes and sovkhozes. All this will make it possible to improve the quality of commercial services, and to create conditions so that rural residents can buy everything they need right in their own rayon, without having to travel to cities to do their shopping.

#### How to Supply Rural Stores with Goods

The pattern of small settlements in rural areas that is tied to the peculiarities of agricultural production makes it necessary to have a significant number of relatively small retail enterprises in the cooperative trade network. Today the total number of enterprises of this type is 366,000; this is 53 percent of the total number of retail commercial enterprises in the country. An internal wholesale trade system must exist within the network and commercial work must be carried out actively in order to supply the network with goods.

The stability of the supply of goods, and consequently the extent to which the population's demand for goods, depend to a great degree on the level of commercial operations. In February 1983 the Board of the Central Union of Consumers' Cooperatives examined the question of improving commercial operations in cooperative trade, and it approved a number of new normative documents directed at stimulating this kind of work in all parts of the system. Specifically, new provisions were put into effect concerning the formation of and deadlines for presenting requests and orders for goods. A more efficient system was established for working out and putting into practice required products lists. Measures were developed for increasing the role of merchandising specialists in the trade process. Special attention is given to improving the operation of wholesale trade bases in the consumer cooperative network.

By the beginning of 1983, 1446 trade bases in the consumer cooperative system were carrying out wholesale operations. These bases vary widely in terms of the type and size of their goods turnover, the number of retail enterprises they serve, the methods used to supply the enterprises, the capacity of their warehousing services, and the efficiency of their operation.

The main direction in the development of cooperative wholesale trade was determined long ago--the goal is to strengthen the network of inter-rayon wholesale bases, and increase the proportion of deliveries made by the bases in the over-all supply of goods to stores. At the beginning of 1983 there were 603 bases of this type in the consumer cooperative system. Today about 40

percent of the goods sold to the population go through the inter-rayon bases (70 percent of the non-food products go through these bases).

Inter-rayon bases, as large wholesale enterprises, have the greatest opportunities to become unique commercial headquarters that are responsible for uninterrupted delivery of goods from the producers to the consumers. These should be headquarters responsible for carrying out an objective, comprehensive study of the customers' demands, for formulating orders and sending them to producers, and for daily cooperation with industry and retail enterprises to improve commercial services for the population. The development of inter-rayon bases does not remove from the agenda the need for warehousing services for rayon wholesalers. Under conditions of a small goods turnover in commercial enterprises, their being scattered over a large territory, and the absence of hard-surface roads it is not always possible to transport goods from inter-rayon bases. This is especially true of rayons in Siberia, the Far East, the Far North, mountainous regions, and the RSFSR Nonchernozem zone.

In the goods supply system of the consumer cooperative retail network two types of wholesale enterprises are functioning in accordance with specific principles--the increased capacity commercial bases (inter-rayon bases with a complete assortment of goods) and rayon bases, and relatively small warehouses that organize the sale of a reduced assortment of goods. Practice shows that it is most efficient to deliver a complex assortment of goods to the retail network through inter-rayon bases; and non-food products that are in everyday demand, food stuffs, and heavy, cumbersome articles are best delivered through the wholesale bases of rayon cooperative organizations.

When evaluating the organization of warehousing services in consumer cooperatives, it is difficult to reduce it to unified structural units because the operating conditions of the cooperative organizations in various republics and oblasts are so specific. For example, in the Baltic republics and Moldavia, where the network of highways is well developed and stores are not located as far from supply sources as in the RSFSR Nonchernozem zone, there is no need to have warehouses in an overwhelming majority of the rayons. The most important factor in developing rational plans for organizing warehouses and transporting and delivering goods, is to reduce the number of links in the process of transporting goods, to speed up the turnover rate, and to expand the centralized delivery of goods directly to stores. It is important to determine for each store where it should obtain its goods and what kind of goods it should be receiving.

The rational organization of wholesale trade and its ties with industry and cooperative retail enterprises determines to a great extent the level of commercial operations. A high concentration of wholesale trade in non-food products, for example, was achieved in the Latvian Union of Consumer Cooperatives. The Riga Wholesale Trade Bureau of the Central Union of Consumers' Cooperatives and of the Latvian Union of Consumers' Cooperatives is a large wholesale enterprise equipped with contemporary technology that has been operating successfully for many years.

The consolidation of the wholesale link made it possible to resolve a number of important problems, to introduce new forms of cooperation with industry, to



strengthen the effect of trade on expanding the assortment of goods and improving their quality. The type, grade, style, model, and other features, of goods available for delivery are coordinated with industrial organizations and enterprises. By purchasing goods practically throughout the entire territory of the country, the bureau can offer retail trade enterprises an assortment of merchandise that includes more than 75,000 different items. The coordination of specifications with industry when there is a change in the demand has become much more practical and more complete. It has become easier to protect the customers' interests in dealing with the producers of goods, and to enforce sanctions against them if the conditions of contracts are not fulfilled.

The Riga Wholesale Trade Bureau has 343 direct contracts (including 308 long-term contracts) with industry to deliver goods valued at more than 700 million rubles. Cooperation agreements also help strengthen business ties. The bureau's commercial staff is constantly searching for new forms of cooperation with their partners. Trilateral agreements have been signed, in which major retail enterprises (department stores, commercial centers) are participants, in addition to industrial enterprises and the wholesale trade bureau.

Socialist competition has been spread among the collectives of many suppliers following the principle of "multiple specialization brigades for top quality". The exhibits of models organized every year in the bureau's commercial pavilion, with the general theme "Our Offerings are What the Customers Request", have been among the most effective activities. These exhibits are organized by the type of goods, such as "Goods for Children", "Articles for Housework", "Articles for Gardening and Truck Farming", "Work Clothes for Rural Workers", and so on. Models of products are displayed in various sections, such as "Developing Production of New Types of Goods", "Renewing Production", "Increasing the Production Output of Goods", "Goods that are in Limited Demand", and "Poor Quality Goods".

The Riga Wholesale Trade Bureau regularly conducts work directed at encouraging the republic's enterprises to develop production of new goods that are in mass demand using local raw materials. One of the forms used in this work was the organization of an exhibit of industrial wastes found in the republic, finished products manufactured from the wastes, and products that can be manufactured. Specialists from the bureau made a preliminary survey of about 100 industrial enterprises and using the results, they made suggestions for consumer goods that can be produced from raw materials and wastes available at these enterprises.

The results of meetings between representatives of industry and members of commercial cooperative organizations are put into protocol form, summarized, and, as a rule, sent to the republic State Planning Committee and Council of Ministers to be used in their work. Suggestions not accepted by industrial enterprises are reviewed by the appropriate ministries and the Latvian Union of Consumers' Cooperatives. Conferences are held regularly between the directors and leading specialists from industrial enterprises and rayon cooperative organizations. Issues involving the status of the consumer goods trade, increasing production, improving the quality and packaging of various goods,



advertising, and fulfilling contract obligations are discussed at these conferences.

Strengthening its cooperation with industry has helped the Latvian Union of Consumers' Cooperatives manage its resources better. In the past it did not always succeed in providing a full selection of goods in all categories, but now this almost never happens. There has been marked expansion and renewal of the goods assortment and the quality of goods has also improved. There has been a sharp rise in the delivery of top quality goods. In 1982 the quality control service inspected 20 percent of the goods delivered; only 3.7 percent of these goods were rejected. There was a significant decrease in the percentage of shopworn and nonsaleable goods.

Improved economic relations between production and commercial organizations help improve product quality, expand the assortment of goods, and as a result, satisfy the population's demand more fully. Direct contract relations with industry have also been put into practice in the commercial work of cooperative organizations in the Ukraine. Contracts have been signed between industrial enterprises and 25 wholesale trade bureaus of oblast unions of consumer cooperatives, whose members include 138 inter-rayon bases. Cooperation agreements also help improve ties between commerce and industry. For example, the wholesale-retail trade bureau of the Sumy Oblast Union of Consumers Cooperatives signed an agreement for socialist cooperation with the Rovno Shoe Factory. It calls for an annual renewal of the product assortment of no less than 25 percent; only first quality shoes are to be produced; and more public inspectors are to be involved in the process so that there will be stricter control over the quality of the shoes. Another new feature in ties with industry is the production of test batches of sewing industry products. As a result of active work on the part of the bureau's staff, the assortment of sewing industry products is being renewed constantly. In those cases when it is not possible to establish business ties on the basis of mutual agreement, the bureau takes other measures. The most effective of these measures is the refusal to purchase at trade fairs those goods which do not meet the customers' demands in terms of assortment and quality.

Close business contacts with industry made it possible for cooperative trade organizations in the Ukraine to take out of production in 1982 alone 230 clothing patterns that were not in demand, valued at 43.4 million rubles. Following the suggestions of the unions of consumers' cooperatives, new types of articles valued at the same amount were put into production. New shoe styles were also put into production. In 1982, 60 percent of the production of light industry was based on direct contracts; this included 76 percent of the sewing industry products, 61 percent of the knitted goods, and 55 percent of the shoes.

Cooperative wholesale trade in Moldavia has also been reorganized. The size of the inter-rayon bases has been determined so that the volume of wholesale and warehousing turnover of each of them made it possible to establish direct ties with industrial organizations, to obtain large batches of goods from them, and to develop in their warehouses a broad, stable assortment of goods in order to provide an uninterrupted supply of goods to the retail trade network. Today in the republic there are 8 inter-rayon bases with a total warehouse area of over

120,000 m<sup>2</sup>. Wholesale warehouses in 12 rayon unions of consumers' cooperatives have been eliminated totally, and in another 12 rayon unions the non-food products warehouses have been eliminated. There are plans to eliminate wholesale warehouses in the remaining rayons and to transfer their functions to inter-rayon bases.

The concentration of wholesale functions in the Moldavian Republic Wholesale Trade Bureau has created favorable conditions for improving commercial operations. Direct ties have been established with 370 industrial enterprises in the republic that put out consumer goods, and with 42 enterprises in other union republics. Today over 70 percent of the goods enter the system by means of direct contracts; this includes more than 75 percent of the shoes and knitted goods, almost 90 percent of the socks and hosiery; more than 95 percent of the sewing industry products; all the fur articles, headwear, furniture, dishes, canned fruit and vegetables, confectionery items, and several other types of goods.

The contemporary trade bases are called on not only to supply goods to retail enterprises, but also to provide them with a wide range of services. Wholesale trade bases of cooperative enterprises in the Baltic republics and Moldavia systematically provide services of this nature to the retail sector. The Kaunas, Tallinn, Taurage, and other wholesale bases are completely responsible for centralized delivery of goods to stores. They also package goods that are still delivered by industry without any packaging. Centralized cutting of packing paper has been organized at the Tallinn inter-rayon base.

The practice of returning goods, which for some reason were not sold in the retail system, from stores to wholesale bases is also worth implementing more broadly. This practice, just like transferring goods from one store to another, selling surplus delivered goods beyond the boundaries of the given oblast (or republic), and making timely discounts on certain goods, all help improve the management of commodity stocks. In the Latvian SSR, for example, there is a system for mandatory return of goods not sold in the retail network over the course of four months, to wholesale bases and warehouses.

At the Bendery inter-rayon base of the Kishinev Union of Consumers' Cooperatives there is a special warehouse for redistributing goods, which made it possible to concentrate all the operations involving goods returned from stores. As a rule, these goods need a certain amount of additional work, which is easier to do in a specially equipped facility. Furthermore, concentrating the returned goods helps study the demand: having determined how many stores returned a certain type of product and how much was returned, it is easier to establish a reason for the return.

One of the primary tasks of wholesale trade is to provide every store with a complete assortment of goods that are totally ready for sale and that correspond to the particular type of store. In this connection the greatest problems are encountered in supplying the stores that sell "Everyday Demand Goods". These stores are usually located in small villages, far from rayon centers, large population centers, and main transportation lines. They are the only stores where the local residents do their regular shopping. If a

particular item is not in stock, there is nowhere else to get it since there are no other commercial enterprises nearby.

The most efficient way to restock the assortment of goods in the "Everyday Demand Goods" stores is to create special warehouses at the inter-rayon bases and the rayon unions of consumers' cooperatives and to organize portable warehouse trucks. These warehouse trucks are already operating successfully in the Moldavian Republic Union of Consumers' Cooperatives, and the Stavropol and Gorkiy kray and oblast unions of consumers' cooperatives.

The first warehouse trucks in Moldavia were organized at the Bendery inter-rayon base. Today at the base there are 5 warehouse trucks that deliver goods to 35 stores in the service area, which are located between 3 and 130 km from Bendery. The warehouse trucks distribute non-food products in accordance with the assortment lists approved for the various stores.

Every quarter the inter-rayon base's trade organization division makes up a schedule for the warehouse trucks. On the basis of this schedule, route sheets are worked out for each warehouse truck. Representatives of the rural consumer cooperative society and workers in the stores being served are informed of the delivery schedule. The driver-shopkeeper of the warehouse truck selects the goods according to requests and assortment lists. He delivers goods to the stores assigned to him no less than three times a month. At the end of the month he returns the route sheets to the division and reports on how well they were fulfilled.

When warehouse trucks were put into use, the "Everyday Demand Goods" stores expanded their assortment, and the base improved its control over the delivery of goods to the stores and over each store's fulfillment of the plan for retail goods turnover. Another advantage of the warehouses on wheels is that the driver-shopkeepers can distribute goods in a practical way, using goods that are in limited demand in one rayon to meet shortages in other rayons.

Of great importance is the organization of wholesale bases to sell technically complex articles; instructional and methodological study centers; and centers for demonstrating new products. The purpose of these study centers is to teach workers in retail commercial enterprises how to arrange the product assortment correctly, how to check the quality of the goods, how to prepare technically complex goods for sale, and how to present the goods to the customer skillfully. Experienced merchandising specialists, and experts from industrial enterprises and repair shops conduct the classes. In addition to practical instruction, the students also receive theoretical instruction.

The instructional and methodological study centers are also centers for goods propaganda. Displays of new models are organized at the centers and various thematic stands are set up with different equipment. Centers like this are



functioning successfully in the Riga Wholesale Trade Bureau, at the Zolotnoshia inter-rayon base in the Cherkassy Oblast Union of Consumer Cooperatives, and at the majority of inter-rayon bases in the Ukrainian, Belorussian, and Moldavian unions of consumer cooperatives. It is mandatory for staff employees of stores in these unions of consumer cooperatives that sell technically complex articles to take the instructional courses and to obtain the corresponding certification.

Other forms have also been developed to instruct sales people who work with technically complex goods. In the Lithuanian Union of Consumer Cooperatives, for example, there are 29 school/stores where sales clerks receive instruction. Staff members from the Vilnius Cooperative Tekhnikum are brought in to teach, and instruction is also conducted using shops in the "Elektronas" Production Association under the LiSSR Ministry of Consumer Services. Specially designated merchandising specialists/consultants teach the sales clerks at many wholesale trade bases in the Ukrainian Union of Consumer Cooperatives.

The wholesale base is an important point on the path of moving goods from the producers to the consumers. It is here that the foundations for normal operation of the retail link are laid. At the leading wholesale trade enterprises goods are received, stored, and dispatched according to a unified chart for industrial freight handling. Traffic models have been developed for orders and goods transport invoices when goods are sold and shipped and for transferring basic documents for receiving goods; operational models have also been worked out for documents used in receiving, selling, and shipping goods, and putting them into storage. There are models for centralized shipment routes; a yearly schedule according to which retail commercial enterprises are to select goods (indicating the type of store, its location, and the days for selecting goods); tables indicating the number of organizations and commercial enterprises served; planning and economic indicators for the base's activities; watch schedules for the days off and for patrolling the hall that holds the product models. The chief process engineer has in his office all these documents containing data on the operating systems of each industrial sector; this makes it easier for him to carry out his daily activities and it helps him work out practical solutions for problems that arise.

The primary commercial work of the base for organizing the sale of goods is concentrated in the hall which holds the product models. Each model carries a tag indicating the item's name, grade, products list number, and price. Merchandising and sales specialists organize the renewal and restocking of the product assortment, demonstrations, information on the availability of products, their characteristics, and methods for use. The bases' merchandising specialists are assigned specific groups of products; they then do all the commercial work connected with the products, starting with purchasing the goods and ending with selling them in the retail sector. The merchandising specialists are involved in formulating product assortments for stores, in advertising the products, in compiling orders, and normalizing commodity stocks.

Wholesale bases serve as organizers in conducting thematic exhibit/sales in the retail commercial network; industrial enterprises also participate in these activities. Customers' conferences are held at the end of the exhibit/sales



and customers discuss the quality of the models on display. Bases and industrial enterprises use materials from these exhibit/sales in their commercial activities.

Commercial services workers from the leading inter-rayon bases provide effective assistance to retail commercial enterprises. Merchandising specialists who are in charge of the bases' warehouses make regular trips to the retail enterprises in their assigned zones. The main goal of these business trips is to help improve the commercial services provided to the consumers. The specialists check on how well the plan for goods turnover is being fulfilled locally, how well the retail enterprises are supplied with the necessary assortment of goods, the presence of unmarketable and shopworn goods, the storage of goods, and the sanitary condition of the stores. Observance of the operating system by the local enterprises is also monitored. Representatives of the bases participate in the organization of active forms of trade, such as bazaar, exhibit/sales, evening trade fairs, and so on. Thematic trips are also made to normalize commodity stocks, prepare for pre-holiday trade, and so on. The results of the business trips are compiled in survey documents for each store; they are reviewed first by the board of the rayon union of consumer cooperatives, and then at a meeting with the director of the inter-rayon base. Common shortcomings are revealed here and measures are taken to eliminate them.

A contract for delivery of goods helps to improve ties between wholesale and retail trade and increase their mutual responsibility for property. In accordance with recommendations from the Central Union of Consumer Cooperatives, wholesale trade bases are signing more and more contracts for delivery of goods with the cooperative organizations they serve. These contracts outline the wholesale bases' responsibility for interruptions in the supply of the required assortment of goods to stores, as well as the responsibility of the retail trade enterprises for not adhering to the established assortment of goods.

Wholesale trade bases of the Kiev Oblast Union of Consumer Cooperatives, for example, have signed contracts of this type with rayon unions of consumer cooperatives and rayon consumer cooperative societies in their zones. Certain specifications for the delivery of goods are added on to the contracts. Between January and August 1982, wholesale trade bases of the oblast union of consumer cooperatives fined retail organizations and enterprises 29,000 rubles for failing to make requests for goods on time and for failing to provide an adequate assortment when selling goods. In turn, the rayon unions of consumer cooperatives and the rayon consumer cooperative societies made claims totalling 10,000 rubles against the inter-rayon bases for failing to deliver the necessary quantity of goods. The high demands on the part of all involved for absolute adherence to the conditions of the contracts gives the contracts real authority. All the wholesale trade bases in the Kiev Oblast Union of Consumer Cooperatives have eliminated late delivery of goods to stores.

The Bendery inter-rayon base has had an interesting experience in organizing mutual relations with retail trade. Specifications were worked out for the rayon unions of consumer cooperatives, the rural consumer cooperative societies, and stores, in connection with the intra-group assortment.

Fulfillment of the contracts is checked every 10 days. A machine calculating station provides data for all the rayons and for the warehouse on the actual shipment of goods for every 10-day period and it also provides the cumulative results. A dispatcher-information service controls the interaction of the base's structural subdivisions with retail trade enterprises and the transportation system. It coordinates the frequency of goods shipments; it helps form the commercial assortment in retail trade enterprises; and it helps provide the enterprises with a regular supply of goods.

An efficient system has been developed for supplying goods to the retail network. On the basis of a schedule for the selection of goods, representatives of retail trade enterprises come to the base with an order that has been written up at the store. The order is given to the economist-dispatcher, who enters it in a particular classification list for the centralized shipment of goods. Then merchandising and sales specialists check to see if the goods that have been ordered correspond to the assortment list established for that particular type of store; and they inform the store's workers about any new items that have arrived at the base.

The division for organization of trade and shipments keeps a record of the fulfillment of orders from retail enterprises. After expiration of the time established for selection of goods, the record is transferred to the shipping office. On the basis of the record, the shipping office provides the warehouses with packing materials. After the packed goods go through the shipping office and are sent along the delivery route, the appropriate notations are made in the record. Usually orders are filled no later than the third day. The completed record is returned to the dispatcher, who immediately sees how thoroughly and promptly each warehouse fills the orders.

In this way the record makes it possible to control the base's activities in terms of three basic indicators: how workers in the retail sector follow the schedule for selection of goods; how promptly warehouses fill orders; and the date on which the shipping office sends the goods. The record helps to discipline workers in both the retail and wholesale sectors. The introduction of the record made it possible to eliminate the mass of papers formerly needed to control the filling of orders. Control became more practical and effective. When any kind of interruption occurs in the operations, the dispatcher reports it to the chief merchandising specialist or the director. The experience of the Bendery inter-rayon base is being utilized in other regions as well.

In accordance with a decree issued by the CPSU Central Committee and the USSR Council of Ministers "On Measures for Further Development of Trade and Improved Commercial Consumer Services in the 11th Five-Year Plan", the Central Union of Consumer Cooperatives outlined some measures to develop the role of the wholesale sector in supplying the retail trade network with the necessary goods. There are plans to concentrate a large portion of the reserve commodity stocks at wholesale bases; the aim is to make it possible to provide uninterrupted trade. Between 1982 and 1990 members of cooperatives will put into operation new wholesale bases and warehouses with a total area of 5.4 million m<sup>2</sup>. As a rule, contemporary, highly mechanized wholesale bases will be built. This will make it possible to accelerate markedly the turnover rate of

goods and to reduce the use of low-productivity manual labor in warehousing services.

### Improving Public Eating Facilities

Every year there is increased development of the network of public eating enterprises in rural areas. Over the last 3 five-year plans consumer cooperative organizations have built 13,800 restaurants, cafeterias, cafes, food combines, and other public dining enterprises, with a total seating capacity of 823,500. On the whole, (including cafeterias at enterprises of a number of ministries and departments, and at sovkhozes and kolkhozes served by consumer cooperative organizations), the seating capacity has increased by 2,515,500 places. Kolkhozes have provided a great deal of assistance in developing the network of public eating facilities in the country's rural areas; in the 10th Five-Year Plan alone they built and transferred to consumer cooperative organizations over 400 cafeterias and cafes, with a seating capacity of 22,000. During the current five-year plan, the commodity turnover for public eating facilities in the consumer cooperative system increased by 22.8 percent; this represented over 1 billion rubles.

In 1985 the commodity turnover in cooperative public eating facilities will reach 5.5 billion rubles. The volume of internal production will grow by 26.7 percent, and will total 3.2 billion rubles. During the current five-year plan the production and sales of semimanufactures; culinary, confectionery, bread, and pastry products; and specialty beverages will increase by a factor of 1.3-1.5. During the five-year plan the rural population will buy a total of 4.4 billion rubles' worth of semimanufactures and culinary products; about 2 million tons of confectionery, bread, and pastry products; and over 50 million decaliters of non-alcoholic beverages. The proportion of these products in the internal production turnover will reach almost 47 percent in 1985, while in 1981 it was only 41 percent.

### Red Banner Collectives in 1982

The Kuva Rayon Union of Consumer Cooperatives in Fergana Oblast completed over-all rationalization of trade and public eating facilities. The proportion of internal production in the total production turnover of public eating enterprises was 69 percent. All the schoolchildren in the rayon are provided with hot meals. In order to expand the assortment of prepared food, 500 tons of vegetables, 200 tons of potatoes, 80 tons of melons, and 50 tons of fresh fruit were put into storage.

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Every year the enterprises of the Yegorlyk'skiy Rayon Union of Consumer Cooperatives in Rostov Oblast produce about 4000 tons of bread and bakery items, more than 80,000 decaliters of non-alcoholic drinks, 300 tons of confectionery products, and more than 200 tons of sausage and smoked products. In addition to this, the stores and cafeterias are supplied with cucumbers, tomatoes, and greens from the union's own greenhouse. Internal production goods account for 27 percent of the food sold in the cooperative trade network of the rayon union of consumer cooperatives.

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The procurement office of the Belogorskiy Rayon Union of Consumer Cooperatives in Crimean Oblast shipped 176 tons of vegetables and 3680 tons of fruit to the country's industrial centers. The procurements are made according to the field-container-railcar system, which makes it possible to preserve the quality of the produce and to avoid excessive produce losses.

The decree issued by the CPSU Central Committee and the USSR Council of Ministers "On Measures for Further Development of Trade and Improved Commercial Consumer Services in the 11th Five-Year Plan" outlines ways to fulfill the goals set before public eating enterprises by the 26th CPSU Congress. It points out the need to improve the organization of providing hot meals to rural workers engaged in sowing and harvesting work; to students in general education schools, vocational-technical schools, tekhnikums, and higher education institutions; and to workers at industrial enterprises and sovkhozes. The efforts of the country's cooperative members are directed at further strengthening of the material and technical base for public dining enterprises; at improving the organization of operations at cafeterias, restaurants, cafes, and other public eating enterprises; and at raising the level of service and the quality of the food.

The network of public eating enterprises in rural areas is being developed not only through cooperative means. Cafeterias in general education schools, vocational-technical schools, and other educational institutions; in kolkhozes and sovkhozes; and at industrial enterprises where cooperative organizations organize the eating facilities, are being built by the corresponding ministries and departments, as well as by the sovkhozes and kolkhozes. This construction of new public eating enterprises, as well as the use of existing facilities, will make it possible to increase the number of places available in cafeterias, restaurants, and cafes by 743,000 between 1981 and 1985. Furthermore, between 1981 and 1985 consumer cooperatives will build public eating enterprises with seating for 225,000.

The construction of new public eating enterprises is being carried out primarily according to model plans developed by planning institutes of consumer cooperatives, taking into account contemporary demands in the technology of operating processes and design esthetics. Over the last 2 years of the five-year plan, the network of consumer cooperatives' public eating enterprises in the country has expanded by 354,000 places. Over 75 restaurants and 3000 cafeterias, cafes, and snack bars have been opened; consumer cooperatives have used their resources to put into operation enterprises with seating for 88,300.

In addition to construction, cooperative organizations have worked on the reconstruction of existing public eating enterprises. The increase in seating due to reconstruction, and as a result of adapting existing facilities, during the first 2 years of the current five-year plan was 210,500 places, or 61.2 percent of the total increase in the network during this period. Special attention is being given to expanding the network of enterprises right in rural areas. At the beginning of 1983 the seating available in cooperative public eating facilities in rural areas exceeded that of urban areas by a factor of 1.5.



Cooperatives are constantly providing assistance to enterprises and organizations involved in building cafeterias; they help in the selection of plans, in providing equipment and tools, in preparing the cafeterias for operation, and in providing instruction and improvement of skills for the cooks. They also supply the cafeterias with agricultural products not grown by the local kolkhozes and sovkhozes.

The development of public eating facilities has brought with it an increase in the consumption of highly processed products. The per capita sale of products of this nature in rural areas increased as follows:

	1965	1982
Semimanufactures	13 kopecks	1 ruble, 74 kop.
Culinary products	87 kop.	5 rub., 70 kop.
Confectionery products	200 grams	3103 g.
Specialty beverages	40 g.	844 g.

The specialization and concentration of the production of semimanufactures and culinary and confectionery products has helped increase internal production. During the first 2 years of the five-year plan the consumer cooperative system opened more than 200 specialized shops and processing enterprises. The creation of specialized shops for the production of meat, fish, vegetable, and other semimanufactures and culinary and confectionery items, and the centralized supply of these goods to finishing enterprises makes it possible not only to improve the assortment and quality of the products, but also to increase labor productivity and reduce production expenses. Specialization and concentration provide rational utilization of equipment, mechanization of manual labor, and skilled personnel to staff the enterprises.

As of 1 January 1983, there are more than 1170 specialized processing enterprises operating in the consumer cooperative system. They produce semimanufactures for direct sale to consumers, and for supplying cafeterias, cafes, and other finishing enterprises. Semimanufactures are supplied to 8100 enterprises, or 39.7 percent of those located in rayon centers. It is here that organizing the supply of semimanufactures to public eating enterprises is possible and economically sound.

The Belorussian, Latvian, and Lithuanian unions of consumer cooperatives, and some of the unions of consumer cooperatives in the Ukrainian SSR and the RSFSR, are doing a great deal of work on the specialization and concentration of production in public eating enterprises.

In the Belorussian Union of Consumer Cooperatives, for example, there are 145 specialized shops and 10 processing enterprises in operation (as of 1 January 1983). Practically all the enterprises in the republic's rayon centers have been converted to working with semimanufactures. The board of the Belorussian Union of Consumer Cooperatives and oblast unions of consumer cooperatives are building culinary combines, processing enterprises, and large shops to produce semimanufactures and culinary, confectionery, bread, and pastry products. There are enterprises of this type in Grodno, Vitebsk, Minsk, and Brest Oblasts. The culinary combine in Glubokskiy rayon, Vitebsk Oblast, for example, supplies products to 62 public eating enterprises, 33 retail trade enterprises, and 3 culinary stores. The combine's confectionary shop works in

three shifts; everyday it puts out 1.3 tons of confectionery, pastry, and bread products and 600 kg of culinary items. Two greenhouses have been built for the combine--one permanent and one made out of plastic sheets. In 1982 the greenhouses produced 2 tons of green onions, 3.4 tons of tomatoes, and 2.8 tons of cucumbers; 11,700 tomato seedlings were grown and sold. The average monthly turnover of the culinary combine reached 67,000 rubles.

Culinary combines are being formed in the Latvian Union of Consumer Cooperatives to supply public eating enterprises with semimanufactures and culinary products. As a rule, the combines consist of shops for producing semimanufactures, culinary products, and confectionery, pastry, and bread items. Centralized supply of highly processed food products to enterprises has been organized in 16 of the 26 rayons. During the current five-year plan this work will be completed in almost all the rayon centers. In the Lithuanian Union of Consumer Cooperatives over half of the enterprises in rayon centers are supplied with semimanufactures.

Culinary stores and departments, cafeterias, and custom food order services are becoming more and more popular among rural residents. At the beginning of 1983 the consumer cooperative organizations had 3900 culinary stores and 2200 culinary departments; 1200 cafeterias; and over 3500 custom food order services at production enterprises. Before the end of the current five-year plan the network of culinary stores and departments will include 6500 facilities, and there will be up to 1900 cafeterias.

The organization of public eating facilities at industrial enterprises served by consumer cooperatives is a special goal of cooperative members. Well-organized operation of cafeterias at production enterprises helps reduce unproductive losses of work time and labor turnover; and it helps preserve the workers' health. A cafeteria like this is operating at the knitted goods factory in Ogre in the Latvian SSR.

Of the 600 white and blue collar workers at the factory, 4800 (80 percent) eat breakfast and lunch in the factory cafeteria; 350 workers receive their meals right at their work sites, even on the night shift. Special dietary meals are also available. The cafeteria has its own shops for producing confectionery and culinary items and semimanufactures. The products made there are sold in the factory's culinary store. The store manages to serve workers in both the first and second shifts. The store's minimum product assortment calls for the sale of 3 different kinds of salads, 2-3 types of fish dishes, 3 kinds of meat dishes, 3 kinds of meat semimanufactures, and 6 types of confectionery items. The factory's shops have 5 snack bars that fill orders for semimanufactures and confectionery and culinary items. There are monthly exhibit/sales and on the eve of holidays there is a great deal of pre-holiday trade.

The cafeteria's average monthly turnover is 70,000 rubles; 80 percent of this comes from the facility's own production. Some of the semimanufactures and confectionery and culinary products are sold in the culinary store and in food stores located in the housing area where the factory workers live. In this way, family members of the factory workers and other customers are able to purchase these products.

A positive element in the development of the cooperative public eating network is the increased use of valuable food products, such as fish, dairy products, vegetables, eggs, and fruit, in the preparation of meals and other internally produced items. The public eating enterprises are actively searching for additional resources, which leads to an expanded assortment of products and an increase in the food quality. With this aim, subsidiary farms are being developed and the purchase of agricultural products is expanding.

Today the consumer cooperative public eating system has over 2800 centers for fattening pigs, cattle, small livestock, poultry, and rabbits; more than 1200 plots of land with a total area of 1000 hectares; and 135 greenhouses. More than 80,000 pigs are being fattened. In the Russian Union of Consumer Cooperatives 20,000-25,000 pigs are being fattened; and 40 unions of consumer cooperatives are raising rabbits. The produce grown in private gardens and greenhouses helps to supply restaurants, cafeterias, and cafes.

The public eating association of the Kuybyshev Rayon Union of Consumer Cooperatives in Kaluga Oblast has organized a subsidiary farm for fattening pigs, and also for fattening poultry in the summer. Food by-products are used primarily for the fattening process. In 1982 an additional 244 quintals of meat were obtained as a result of the pig fattening. The cost of 1 kg of meat on the hoof was 80 kopecks. Meat from subsidiary farming goes to public eating enterprises and it is also available for retail sale.

The public eating enterprises of the Kuybyshev Rayon Union of Consumer Cooperatives always offer a wide variety of delicious food; in preparing the food they make extensive use of agricultural products that they grow themselves. Of the 15 kinds of appetizers that are usually offered in the beer hall in the village of Betlitsa, 10 are prepared from the enterprise's own raw materials. There is a large selection of products available in the "Kulinariya" [Cuisine] store. There are 9 different types of meat semimanufactures alone, and there are up to 6 different kinds of fully prepared meat dishes. The cafeteria's daily menu contains no fewer than 6 different cold appetizers; 6-7 first courses; and the same number of main courses and desserts. The restaurant prepares special dietary meals and serves complete dinners; it has organized special subscription meal plans; and banquets and other celebrations are held there.

The Lithuanian Union of Consumer Cooperatives makes very good use of water resources. Enterprises located near bodies of water supply fish (crucian and carp). The Moldavian, Ryazan, Ternopol, and other unions of consumer cooperatives utilize waste heat from restaurants and cafeterias for seed beds and greenhouses where early vegetables and greens are grown.

Public eating enterprises in the Tajik SSR have gardens with a total area of 12 hectares. In 1982 these gardens provided 24 tons of various greens, 45 tons of vegetables, and 15 tons of fruit. The Ukrainian and Belorussian unions of consumer cooperatives are doing a great deal of work to develop subsidiary farms.

To meet the needs of the country's cooperative public eating enterprises, every year about 400,000 tons of potatoes, almost 300,000 tons of vegetables, and



many other agricultural products are laid in. In 1982 the public eating enterprises of the Belorussian Union of Consumer Cooperatives alone purchased over 6000 tons of meat products, 3.3 million eggs, 1000 tons of milk, and a large volume of other agricultural products.

Along with the search for food resources, work is being done to see that they are used in an economical way. The product assortment of confectionery, pastry, and bread items has been revised, as has the assortment of non-alcoholic beverages, and specialty dishes and items. The assortment now includes confectionery products, the recipes for which call for only small quantities of sugar and fats. There has been a significant reduction in the output of confectionery items with butter frostings and an increase in the use of egg white frostings, and preserves, jams, jellies, honey, cottage cheese, and so on. There has been an increase in the output of products made from yeast dough. Fruit syrups and juices are being used more in the preparation of specialty beverages at public eating enterprises.

Changing the assortment of confectionery products and beverages in 1982 resulted in a saving of 1000 tons of sugar. This occurred even with a 70 percent increase in the output of confectionery items over 1981 and a 13.5 percent increase in the production of non-alcoholic beverages. Dishes were served in half-portions more often and the weight of garnishes does not exceed 100 g. Dishes are being prepared that have smaller requirements for raw materials.

Members of cooperatives are devoting special attention to the organization of work at public eating facilities during the heavy agricultural work season. There are about 50,000 public eating enterprises that serve agricultural workers during the intensive harvest period; more than 28,000 of them are consumer cooperative enterprises. There are also 45,300 seasonal enterprises located at sovkhozes, kolkhozes and field stations, that operate during the harvest period.

Cooperative organizations and enterprises are constantly expanding the progressive forms of service that provide conveniences for the consumers and increase the economic efficiency of their work. With the aim of making more rational utilization of commercial space and equipment workloads, different forms are being applied more broadly, such as providing services for receptions, weddings, young people's parties, and holding exhibit/sales. For example, the Chuvash, Krasnodarsk, Bryansk, Saratov, and a number of other unions of consumer cooperatives in the RSFSR are making use of under-utilized restaurants and cafeterias to organize young people's cafes and theme parties. The Ukrainian Union of Consumer Cooperatives holds more than 5000 theme parties every year, and the Uzbek Union of Consumer Cooperatives holds 2500. As a result, there has been an increase in the goods turnover in public eating enterprises, including the turnover of products manufactured using the enterprise's own resources.

There has also been further development of the services provided by cooperative public eating enterprises to workers in popular vacation areas, on main tourist highways, and beaches. During the last 10 years alone, more than 350 restaurants, about 3000 cafes, and 1400 bars have been built in these areas.



Large restaurants that have been individually designed to combine the local national flavor and a contemporary level of service are being built along the main highways.

A good deal of experience has been accumulated in organizing services for tourists and guests in Alma-Ata, Brest, Ivanovo, Moscow, Pskov, Samarkand, and Fergana Oblasts, and in Georgia, Moldavia, Azerbaijan, and other republics. There has been skillful consideration of natural conditions in the construction of restaurants, cafes, and pavilions. The construction of the kitchen and a small winter hall is usually very solid. During the summer, people are served outdoors.

In this regard, the experience of the construction and operation of the "Berkut" restaurant (Ivano-Frankovsk Oblast) and the "Dubovyy gay" restaurant (Vinnitsa Oblast) are worthy of attention and should be implemented elsewhere. Themes from the national culture are used extensively in the design of the restaurants' interiors. The diversity of the Ukrainian dishes offered is a distinctive feature of the restaurants. Customers are drawn to the restaurants by the scenic locations, the comfortable furnishings in the rooms, and the delicious food.

In the village of Ruzhichnoye in Khmel'nitskiy Oblast, for example, there is the "Veselka" cafe. This cafe has a spacious hall with room for 100 people, an open veranda with seating for 80, a banquet hall, and a beer bar; there are open terraces and umbrellas in a grove along the adjacent river bank.

The socio-economic role of public eating operations obliges unions of consumer cooperatives and cooperative organizations to work constantly to improve this sector. The program for the development of public eating facilities in the country's rural areas during the current five-year plan and on up to 1990 has set the following goals: strengthening the sector's material and technical base; making fuller use of technological equipment; achieving a sharp reduction in expenses; preserving dishes and utensils; increasing labor productivity; and reducing the number of workers, primarily administrative and management personnel. All these tasks must be solved simultaneously.

#### Urban Cooperative Trade

The development of urban cooperative trade is directed at making substantial improvements in the supply of food products to urban consumers. Currently there are more than 16,000 retail trade enterprises, including 9100 stores, that sell agricultural products and products from cooperative food enterprises in cities; the agricultural products are purchased at pre-arranged prices. During the current five-year plan cooperative members will sell in cities 2.5 million tons of meat; more than 5 million tons of potatoes, vegetables, fruit, and melons; 103,000 tons of honey; and over 2.6 billion eggs. This is no small addition to the city-dwellers' kitchens.

In 1982 the retail goods turnover in the sale of agricultural products purchased at pre-arranged prices was 2.6 billion rubles. In urban areas the trade in agricultural products purchased at pre-arranged prices grew at a more

rapid rate. It was in urban areas that 80.8 percent of all agricultural products were sold. Significant changes have taken place in the pattern of the turnover. The proportion of livestock products grew from 57.7 percent in 1980 to 65.3 percent in 1982. In 1982 the sale of meat and sausage products accounted for 62.1 percent of the total turnover; and the sale of potatoes, vegetables, fruit, berries, and melon crops accounted for 25.4 percent.

The growth of the consumer cooperative trade network in cities is occurring primarily through the opening of large modern stores, such as the "Gifts of Nature", "Consumer Cooperative", "Cedar", "Deer", and "Agricultural Products" stores. This has made it possible to increase the average commercial space in an urban cooperative store from 52.4 m<sup>2</sup> in 1975 to 66.9 m<sup>2</sup> in 1981; the average commercial space of cooperative stores in republic, kray, and oblast centers has increased from 86.6 m<sup>2</sup> to 109.3 m<sup>2</sup>. The major commercial enterprises have great possibilities for increasing the goods turnover, expanding the product assortment, and improving the quality of consumer services. In addition to this, the necessary conditions are being created for reducing administrative and management expenses, for more complete use of commercial technology, and for a relative reduction in reserve commodity stocks.

One of these major stores is the "Don Consumer Cooperative" store in Rostov. It has 865 m<sup>2</sup> of commercial space. It offers its customers a broad assortment of goods--meat and meat delicacies, fish, fats, culinary and confectionery products, all types of canned goods, honey, grocery items, bread and bakery products, fresh fruits and vegetables, dried fruits, and pickled products. There is a department for accompaniments and souvenirs. The store has its own confectionery shop and cafeteria, and it sells ice cream. Feed grain is sold to people who have private farms and raise livestock and poultry.

The organization of preliminary packing of potatoes, other fruit and vegetable produce, feed grain, dried fruits, and grocery products has helped the store introduce a self-service system. The majority of goods are sold by this progressive method. In order to maintain a stable assortment of goods, the board of the Rostov Oblast Union of Consumer Cooperatives approved an assortment list that contains 174 different items (including 47 types of accompaniments and souvenirs). The store accepts orders for a sufficient assortment of goods; there is a check room; and machines for selling newspapers have been installed.

Practice has proved that there are advantages in creating stores in large cities that have more than 120-150 m<sup>2</sup> of commercial space, and in rayon centers and city-type settlements stores should have about 100 m<sup>2</sup> of commercial space. Stores located in republic, kray, and oblast centers account for 19.8 percent of all the stores. They account for more than 43 percent of all the products sold, however, and they contain one-third of the total commercial space.

The small-scale retail network is also developing. Its enterprises account for about 50 percent of all the retail enterprises, and about 20 percent of the total sales volume. This network is especially active in the warm-climate republics (the Uzbek SSR, Azerbaijan SSR, Turkmen SSR, etc.), where it accounts for over half the goods sold.

The peculiar features in the development of a material and technical base for urban cooperative trade are tied to the fact that local soviet organs provide cooperative members with the facilities for urban stores. They often allocate facilities that are not free-standing buildings built according to special plans, but rather space in the first floors of residential and administrative buildings. The arrangement of commercial space in these facilities is usually inconvenient and therefore they are being rebuilt in the process of over-all rationalization. In 1981-1982 the number of stores in the urban cooperative trade network increased by 619, and the commercial space grew from 540,000 to 610,600 m<sup>2</sup>. This achievement was aided by the transfer of enterprises to new facilities and reconstruction of the existing network.

Urban cooperative trade has an effect not only on satisfying the demands for agricultural production, but also on prices at kolkhoz markets. According to data from the USSR Central Statistical Administration, in the second quarter of 1982 the prices for products in urban cooperative stores were lower than kolkhoz market prices by an average of 22.4 percent. One must keep in mind, however, that consumer cooperatives can compete successfully with the market only where there is uninterrupted trade in varied, high quality goods from plant and livestock production. Unfortunately, this is not always the case. On the one hand, there is a weak material and technical base, and inadequate refrigeration facilities. This makes it difficult to store the required volume of products between seasons. On the other hand, procurement is poorly organized and omissions are made in supplying urban cooperative stores.

Cooperative organizations need to take steps to eliminate these shortcomings and to follow the example of the Volgograd urban cooperative trade organization. It created specialized pavilions at city markets for selling meat, vegetables, and other agricultural products; at the same time, there is extensive trade in meat, poultry, and sausage and culinary products in the urban cooperative stores. Up to 30 tons of meat and meat products are sold everyday. As a result, prices at the kolkhoz markets have stabilized and do not exceed, for example, 4 rubles for 1 kg of meat.

With the aim of improving the supply of fruit and vegetables to consumers, the CPSU Central Committee and the USSR Council of Ministers issued a decree in August 1982 "On Additional Measures to Expand the Sale of Fruit and Vegetable Produce by Kolkhozes, Sovkhozes, and other Agricultural Enterprises to Consumer Cooperative Organizations and at Kolkhoz Markets". Kolkhozes and sovkhozes were given the right to sell up to 10 percent of the planned volume of purchases, and vegetables, melon crops, fruits, and berries (except for table grapes, onions, and garlic) produced above and beyond the plan, to consumer cooperatives and at kolkhoz markets at prices agreed upon by both sides. The credit system that has been established for this production in fulfilling the plan for state purchases increases the interest of agricultural enterprises in cooperating with consumer cooperatives; it helps to develop fruit and vegetable production resources more fully and to utilize them rationally; and it helps stimulate trade at kolkhoz markets.

The primary source of goods for cooperative trade is local resources, mainly purchases of surplus agricultural products from the population and kolkhozes at pre-arranged prices. It is becoming more and more typical in cooperative trade



activities for urban cooperative trade organizations to make purchases directly, without any mediation on the part of the rayon procurement office. In the Ukraine, for example, purchases made on the basis of direct contracts with producers account for up to 80 percent of the total volume of trade. These relations are beneficial for the urban cooperative trade organizations. They do not need to give up part of their discount to the rayon procurement offices; the process of moving the goods is accelerated so produce reaches the stores more quickly; and the delivery of goods to stores is more stable.

Ties between cooperative members and gardening and truck farming associations are developing. Currently there are 4000 associations of this type in the country; they include more than 4.5 million plots. In cities where cooperatives have established close business ties with the associations, the stores receive more produce from the gardens and truck farms.

In 1982, for example, the Omsk urban cooperative trade organization and the procurement and sale base of the oblast union of consumer cooperatives purchased 43.3 tons of berries, 93.8 tons of fruit, and 10.6 tons of vegetables from these people who tend gardens as a hobby. Contracts were signed with 64 gardening associations; 15 of these were long-term contracts. During the harvest season 36 receiving centers were in operation.

The urban cooperative trade organization stores have ties with 30 associations. Each store director maintains close contacts with the board of the association, participates in meetings, and signs contracts for purchasing products which indicate the quantity, grade, and type of fruit, berries, and vegetables to be purchased. Since the urban cooperative trade organizations do not have any staff procurement specialists to work in the associations, the boards designate special receiving officers who have the responsibility of finding and buying up all the surplus fruit, berries, and vegetables from the private gardeners for the cooperative. The urban cooperative trade organization has contracts with the receiving officers concerning financial responsibility; it allocates money that must be accounted for; it supplies them with special reporting sheets where the names of the suppliers are to be entered along with information on the produce that was delivered and the money that was paid out.

In addition to the receiving centers that operate on the territory of the associations, produce can also be received directly at the plot of the person supplying the goods. The receiving sites are equipped with scales and provided with packing materials. The repair combine of the oblast union of consumer cooperatives produces, at the request of the urban cooperative trade organization, packing materials for berries that can be used over and over again and hold 2-3 kg. Every year up to 1000 boxes are produced; between seasons they are stored in the warehouse of the urban cooperative trade organization. When the harvest season arrives, announcements are made in the local press and on the radio that the urban cooperative trade organization stores are purchasing vegetables, fruits, and berries from the population; the purchase prices are also reported.

The Omsk urban cooperative trade organization has established long-term ties with various farms in the oblast. The kolkhoz imeni Dimitrov in Moskalenskiy rayon, located 80 km from the city, supplies the organization's stores with up



to 5 tons of carrots and 50 tons of green onions every year between April and May at pre-arranged prices. The kolkhoz delivers the produce using its own transportation. If any waste produce comes out of the sale process, it is returned to the kolkhoz for livestock feed and the appropriate changes are made in the value of the produce sold.

Cooperative organizations in Omsk Oblast receive surplus agricultural products very efficiently. Produce that has been purchased but is not sold promptly is sent for processing to special shops at the procurement and sale base and the produce base of the oblast union of consumer cooperatives. In 1984 there are plans to sign more than 70 contracts with gardening associations and to open 45 receiving centers on the associations' territory.

Workers at the "Gifts of Nature" store No 10 in Sverdlovsk have also established business ties with suppliers. They have signed contracts with hunters' and fishermen's associations in their own oblast, and in Perm and Chelyabinsk Oblasts. As a result, the store's customers can obtain not only vegetables, fruits, berries, mushrooms, honey, nuts, but during the hunting seasons they can get various game--hazel grouse, black grouse, and partridge. Every year the Grozno "Gifts of Nature" store receives up to 200 tons of high quality products from members of the suburban "Gardener" association. In turn, the consumer cooperatives help the association improve the roads, they provide municipal services, organize the sale of gardening tools, pesticides, and several other types of industrial goods that are in high demand.

Cooperative trade stores are opening in the most active rayons of cities, near industrial enterprises and at kolkhoz markets. Today about 5000 cooperative enterprises are selling agricultural products at the country's kolkhoz markets. A broad network of these enterprises has been developed at markets in the Ukraine. In 1982 the goods turnover in the sale of agricultural products at the republic's markets was approximately 200 million rubles, or 30 percent of the total turnover. The sale of meat at the markets accounted for 30 percent of the total goods turnover. The goods turnover of cooperative enterprises at markets accounts for about 50 percent of the total goods turnover of urban cooperative trade organizations.

The Dnepropetrovsk urban cooperative trade organization has done a good job of organizing trade at kolkhoz markets. There is a stable assortment of food products and year-round the cooperatives at the market sell fresh vegetables, fruits, greens, as well as meat, vegetable oil, honey, and semimanufactures; they have made cooperative trade popular among the city residents.

Other forms for organizing urban cooperative trade are being introduced more and more actively, such as the creation of cooperative enterprises for selling agricultural products and other goods directly at industrial enterprises. The goods assortment and the hours of operation of these enterprises are coordinated with the local trade union committee. Cooperative stores have been opened at industrial enterprises in Volgograd, Ivanovo, Kuybyshev, Tolyatti, and many cities in the Ukraine. The directors of industrial enterprises have taken on the responsibility of equipping the stores, and in a number of cities, they have also agreed to maintain the stores; the urban cooperative trade organizations have the responsibility of organizing the stores' activities.

There are plans to create 130 new urban cooperative trade organizations by the end of the 11th Five-Year Plan, to supplement the 807 that are already in existence; and to put into operation more than 180,000 m<sup>2</sup> of commercial space for selling agricultural products in cities. An increase in the output of food products, an expansion of their assortment, and creation of a contemporary material and technical base for urban cooperative trade will make it possible to increase significantly the delivery of produce to urban consumers.

#### Subsidiary Farms in the Cooperative System

The creation of subsidiary farms in the consumer cooperative system is not a new idea. Cooperative organizations have always been engaged in fattening livestock and poultry. This activity used to be considered secondary. After a decree was issued by the CPSU Central Committee and the USSR Council of Ministers on 4 December 1978, "On Subsidiary Farms of Enterprises, Organizations, and Institutions", intensive development of livestock and poultry fattening was initiated in the consumer cooperative system; and it turned into an independent sector of cooperative activities.

Fattening centers are being attached to bread combines, canning and vegetable-drying plants, breweries, consumer societies, rayon procurement offices, rayon unions of consumer cooperatives, and associations and large public eating enterprises. Contemporary cooperative farms have been built in the Yakutsk ASSR, Uzbekistan, the Far East, the Baltic republics, Siberia, and the Nonchernozem region of the RSFSR. There are almost no regions in the country where cooperative organizations are not engaged in this important activity.

Cooperative organizations in many areas are building and reconstructing livestock facilities, poultry yards, and incubation and poultry farming stations. In 1982 alone 393 livestock facilities with space for 124,300 animals and 76 poultry farms with space for 1,282,000 birds were built. More than 34 million rubles were allocated for these projects. The number of subsidiary farms and fattening centers increased by 408. Steps have been taken to mechanize labor-intensive processes, to improve the technology of the fattening process, and to increase the reproduction of the livestock population. The measures that are being implemented have made it possible to increase meat production significantly. Between 1979 and 1982 the cattle, sheep, goat, and pig populations in cooperative farms increased by a factor of 1.8; the size of the poultry population increased by a factor of 1.4.

Today there are more than 8200 subsidiary farms operating in the consumer cooperative system. They have about 100,000 head of cattle, more than 250,000 sheep and goats, almost 400,000 pigs, and more than 1.4 million fowl. The agrarian part of this sector has at its disposal almost 500,000 hectares of land; 74,000 hectares of which are pasture land, which permits cultivation of grain, potatoes, root crops, as well as green forage crops and hay. In 1982 fattening farms produced 177,800 tons of meat on the hoof. The fattening of animals contributed 72,300 tons of meat.

A great deal of attention is being devoted to raising livestock and poultry in the Tatar, Krasnodar, Stavropol, Belgorod, Volgograd, Voronezh, Grodno, Tashkent, and other unions of consumer cooperatives. Cooperatives in Uzbekistan produce more meat than any of the others--33.3 percent of the total amount of meat produced in the cooperative system (which accounts for 6.4 percent of the total goods turnover). The Tatar ASSR, Krasnodar and Stavropol Krays, and Belgorod, Volgograd, Voronezh, and Rostov Oblasts are responsible for 40 percent of the total production of meat in the RSFSR Union of Consumer Cooperatives. The high indicators in these areas offer evidence of the great opportunities that exist for increasing meat production in the cooperative system as a whole.

The consumer cooperative system has outlined zonal specialization in its organization of livestock fattening because of the differences in natural and climatic conditions, the amount of agricultural land available, and the status of the fodder base. There are pig fattening enterprises all over, but over 90 percent of the pork is provided by the unions of consumer cooperatives in the RSFSR, the Ukraine, and Belorussia. Cooperative organizations in the RSFSR, Belorussia, Uzbekistan, and Kazakhstan are responsible for 91.3 percent of the beef production. Fattening of cattle, sheep, and goats has been developed in a number of rayons of the RSFSR (the Northern Caucasus, Volga, Ural, and Western Siberian rayons) and in the Central Asian republics.

Naturally, a contemporary material and technical base is needed in order to operate on a long-term basis. Specialists from the Planning Institute of the Central Union of Consumer Cooperatives are proposing a number of model plans for subsidiary farming enterprises engaged in fattening livestock and poultry and cultivating early vegetables and vegetable seedlings. Among the enterprises for which plans have been developed are barns for 25, 50, 100, and 200 head of cattle; pig-fattening facilities for 100, 300, 400, 500, and 1000 pigs; and poultry yards for 20,000 birds.

In addition to this new construction, old livestock facilities, either purchased or rented from kolkhozes, sovkhozes, and other organizations, are being rebuilt. The reconstruction costs a fraction of what new construction costs. According to experts' estimates, the major repairs and reconstruction necessary to turn 5 facilities into barns holding 300 head of cattle each (taking into account installation of the required equipment) would cost 150,000-200,000 rubles; while new construction would cost almost 400,000 rubles.

A great deal of reconstruction work is being done by the Krasnodar Kray Union of Consumer Cooperatives, where a number of rayon organizations have acquired and rebuilt facilities to be used for housing pigs, each with space for 1000 animals. The Zerkhdevskiy Rayon Union of Consumer Cooperatives in Tambov Oblast and other cooperative organizations and enterprises are making extensive use of rebuilt livestock facilities.

Lighter structures can be used in republics that have a mild climate. Cooperative organizations in Leybovskiy rayon in Moldavia built a pig farm using lightweight plastic sheets at a cost of 30,000 rubles. The pillow of air

between the plastic sheets does an excellent job of keeping the heat in, which means that the facility does not have to be heated even during the winter.

Local soviet and party organs are doing a great deal to help cooperative organizations create and strengthen subsidiary farms. In the city of Kamen on Ob in Altay Kray, for example, it was at the initiative and with the support of the city party committee bureau that the Agricultural Equipment Association, the Sewer and Water System Construction Association, the Repair and Construction Administration, Mobile Mechanized Column No 32, and other organizations participated without compensation in the construction of a subsidiary farm for the city consumer cooperative society. They performed work valued at more than 800,000 rubles. The farm was allocated 300 hectares of land, 170 of which are pasture land. This is where cattle, pigs, geese, and ducks are being raised.

City organizations used their own resources to build a complex that contains a facility with fully mechanized production processes that is meant to house 2000 pigs at one time; 2 pig facilities for the breeding stock; a barn for 200 head of cattle; and a poultry yard for 75,000 broiler chickens. They also built a slaughterhouse, a sausage-making shop, and a curing shop. A mechanized grain warehouse, a garage, and a boiler plant have been fitted out. A greenhouse and a shop for canning vegetables are under construction. Good housing and everyday living conditions have been created for the complex's workers. The organizations participating in the construction of the complex get top priority in the supply of meat and meat products to their cafeterias.

In Tatskinskiy rayon, Rostov Oblast, cooperative organizations are following the recommendation of the rayon party committee and are building a major livestock breeding complex using the combined resources of the Inter-kolkhoz Construction Association, the Agricultural Equipment Association, the timber industry, the oil and alcohol plants, and other organizations. A system of mutual accounts was set up for the organizations participating in the construction. The rayon consumer cooperative society plays the leading role among the organizations. Complexes of this type are very promising for the future.

Cooperative organizations in the Ukraine, the Mordovian ASSR, and Belgorod, Ivanovo, Omsk, and Rostov Oblasts are building modern, mechanized pig facilities that can house 400-500 pigs at one time. Many barns for 200-400 cows have been built by the Uzbek and Kazakh republic unions of consumer cooperatives and by the Volgograd and Rostov oblast unions. Large fattening farms for 1000 animals are being built in various rayons of the Uzbek Union of Consumer Cooperatives. These same unions, and unions in Turkmenistan and Kirghizia, are building facilities for sheep and goats that will house between 700 and 1000 animals at once.

Of course, the specialization and concentration of livestock fattening has definite advantages. It is easier to mechanize production processes at a large enterprise and it is easier to provide veterinary services and to install cleaning equipment. Costs per unit of production are lower and the average daily increase in weight is higher.



As the fattening facilities expand, the problem arises of creating a strong fodder base. Food wastes from public eating enterprises, from canning, beer, and bread production, and collected from the general population are a significant reserve of valuable feed. Including food wastes in livestock feed rations, especially for pigs, makes it possible to save a large amount of fodder that is in short supply. At subsidiary farms where the proportion of food wastes in livestock rations exceeds 50 percent, the production cost of meat is much lower than at farms that use a lower proportion of food wastes.

In 1982 the country's cooperative organizations collected 396,000 tons of food wastes. In order to produce the same volume of fodder crops, it would be necessary to plant 40,000 hectares of grain and to harvest no less than 25 quintals of grain from each hectare.

It is not possible, however, to fatten a large number of animals using only food wastes. Materials from a study done by the All-Union Cooperative Trade Economics Scientific Research Institute of the Central Union of Consumer Cooperatives showed that the majority of fodder used--two-thirds--is concentrated or natural feed, although the balance varies in different republics. The proportion of mixed, coarse, and succulent feed does not exceed 60 percent in the Lithuanian SSR and the Latvian SSR; in the Turkmen SSR, Belorussia, and Moldavia it is a little lower than the average for the consumer cooperative system; and in the Turkmen SSR and the Azerbaijan SSR, these feed varieties account for 97-98 percent of the total. Cooperative organizations purchase almost one-fourth of their feed from kolkhozes, sovkhoses, and other farms. This fodder often must be transported over long distances, which leads to an increase in production costs. Therefore, in order to solve the fodder problem, primary attention must be focused on finding new local reserves and organizations need to create their own bases for fattening livestock.

A specialized farm in the Starooskolskiy rayon consumer cooperative society in Belgorod Oblast, for example, can fatten up to 1000 pigs on mixed feed. In addition to utilizing production wastes from procurement enterprises, from public eating enterprises, the cooperative food industry, and bread bakeries, the farm also obtains grain wastes, fodder beets, small potatoes, and green forage from the farm's own plot.

The demand for fodder at the subsidiary farm of the Lebedyan wine-making plant in the Lipetsk Oblast Union of Consumer Cooperatives is met almost entirely by local resources. In 1982 the farm used 150 hectares of land to produce 320 tons of green feed corn, 50 tons of fodder beets, and 50 tons of grain. Wastes from apple production were utilized and 140 tons of apple pulp were laid in and 35 tons of vitamin meal were prepared.

In 1982 the cooperative subsidiary farm in Borisoglebskiy rayon, Voronezh Oblast, fattened 2500 pigs and 800 head of cattle and obtained an additional 276 tons of meat. The farm is taking an integrated approach to the feed problem by utilizing food wastes from public eating enterprises, a dairy plant, a milling combine, an alcohol plant, and other processing enterprises; the farm also makes use of wastes resulting from the storage of produce and it obtains grain from the local population. A feed shop with a production capacity of 30

tons per shift and a feed-grain warehouse with a capacity of 1500 tons have been built.

Subsidiary farms in the cooperative system guarantee an improved supply of food products to the population and uninterrupted operation of sausage shops. There are still a few farms that have a low level of profitability and some are even operating at a loss. One of the most important problems in the further development of cooperative subsidiary farms is the selection of the optimal size for the farm. When determining a farm's size, one must take into account the possibilities offered by the local production base: the feed supply, the population of young animals, the presence of capital structures or facilities that have been adapted, the technical level of equipment used in production, and other conditions.

The plots of land assigned to cooperative subsidiary farms do not always produce a high yield. In 1982 the yield of grain crops throughout the entire consumer cooperative system was no more than 5.6 quintals per hectare; the root crop yield was 49 quintals. The poor yield can be explained by the low level of agricultural equipment and mechanization, inadequate use of fertilizers, and insufficient concern for soil cultivation. If the land is managed properly, it is possible to provide livestock with valuable and inexpensive feed and fattening of livestock and poultry can be carried out more efficiently.

The population of young animals also has an effect on future meat production and increasing the operating efficiency of subsidiary agricultural enterprises in the consumer cooperative system. Kolkhozes, sovkhoses, and meat and dairy industry enterprises, as a rule, are not able to supply cooperative organizations with a sufficient number of young animals. Because of this situation, private subsidiary farms are still the main suppliers of young cattle for cooperative farms. The private farms also provide more than 40 percent of the young small livestock animals and more than 30 percent of the young pigs.

Cooperative subsidiary farms need to make an effort to form their own breeding stocks in order to develop a base for the future. Many cooperative organizations are having success at this. In 1982 at the Omsk Oblast Union of Consumer Cooperatives, for example, 84 percent of the pigs delivered for fattening were the result of reproduction at the organization's own subsidiary farms. Currently only part of the breeding animals are purchased from farms in the Ministry of Agriculture system; in the future the demand for young pigs will be met completely by the organization's own reproduction operations. The formation of large reproduction farms makes it possible to provide young pigs for fattening that have high potential productivity. In 1982 the average daily weight gained by pigs being fattened at Omsk cooperative subsidiary farms was 441 grams, which was considerably higher than the average indicators for the rest of the country's consumer cooperative farms.

Using animals obtained through the organization's own reproduction operations guarantees high quality young animals and reduced production costs in the fattening process; it also makes it possible to obtain young animals within a set period of time. Thus, production is more regular, and facilities, equipment, and manpower can be utilized more rationally.

In 1982 only 29 percent of all the young animals at cooperative pig-fattening farms were obtained from the system's own farms. According to calculations made by the All-Union Cooperative Trade Economics Scientific Research Institute, bringing the farms' own reproduction of young pigs up to 50 percent of the total population would allow the fattening farms to increase the yearly added-on weight by no less than 7000 tons of meat; this would be an 18 percent increase. Therefore, development of the farms' own reproduction facilities should be seen as the most promising direction for increasing the efficiency of pig fattening. Reproduction can be implemented by maintaining a breeding population at each pig farm, and by organizing reproduction farms that would be associated with several rayon cooperative organizations.

When subsidiary farms have their own breeding stock, they have the opportunity either to sell the young animals produced or to transfer them to the fattening facilities. This is already being done in a number of oblasts and republics where a certain number of animals and poultry are being fattened by individuals under contract with the cooperative organizations. Food wastes are allocated and fodder is sold to people engaged in the fattening process. Giving livestock to the public for fattening helps improve the utilization of manpower and feed, and it increases people's personal interest in increasing production.

#### Red Banner Collectives in 1982

Over the year the Marneupolskiy Experimental Testing Food Combine in the Georgian SSR put out more than 30 types of products valued at 12 million rubles. It put 5 new types of products into production. It introduced waste-free production processes; and 7 rationalization proposals were incorporated, with an economic effect of 35,000 rubles. The mechanization of basic operations reached 85 percent. An integrated quality control system is in operation.

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The comprehensive rationalization implemented at the Ordzhonikidze Rayon Union of Consumer Cooperatives in Kustanay Oblast made it possible to increase commercial space by 1136 m<sup>2</sup>; the area for displaying goods was increased by 821 m<sup>2</sup>. Self-service is used in 95 percent of the stores; these stores account for 97 percent of the total retail goods turnover.

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During the intensive agricultural work season cooperative organizations in the Gorodetskiy Rayon Consumer Cooperative Society, Gorkiy Oblast, organized 80 "Zabota" [concern] trailer truck trips and 1200 trips by mobile stores to farms and field stations in the rayon. Goods valued at 900,000 rubles were sold to rural workers.

In Moldavia cafeterias and restaurants are signing contracts with their workers and giving them young pigs weighing 30-40 kg; they supply the workers with food wastes at the state price of 8 rubles per ton. After the fattening period, the cooperative organization buys the pigs at a price no higher than 2 ruble per kg of meat on the hoof, deducting the cost of the young animal and the food wastes. In 1982 about 1000 of these contracts were signed, and an additional 70 tons of meat were obtained. The same conditions were set up in the Kirovskiy Rayon Consumer Cooperative Society, Kaluga Oblast, where all the cooperative members are involved in fattening pigs. In 1981, 300 of the 415



workers in the rayon's consumer cooperative organizations raised and sold 330 quintals of pork.

The activities of cooperative subsidiary farms are not limited to raising livestock and poultry. Cooperative members are also engaged in producing fruits, vegetables, and greens; and fishing. Every year there is an increase in the quantity of fish caught in natural and man-made bodies of water by consumer cooperatives; in 1982, 12,000 tons of fish were caught.

The experiences of the leading cooperative organizations show the many local opportunities that can be utilized to improve the supply of food to the population. For example, in 1982 the proportion of local resources in the retail goods turnover of the Tonshayevskiy Rayon Consumer Cooperative Society, Gorkiy Oblast, reached 22 percent. A significant portion of these resources came from the society's subsidiary farm, where pigs and cattle are fattened and milk and vegetables are produced. The farm has a garden, a greenhouse, beehives, man-made reservoirs, a saw-mill shop, and a food combine. The Leninskiy Rayon Union of Consumer Cooperatives in Tajikistan, and cooperatives in Rostov Oblast and a number of other oblasts in the RSFSR also have multi-sectorial subsidiary farms of this nature.

During the current five-year plan, cooperative organizations must direct their work toward further development of a material and technical base for subsidiary farms; increasing their production of meat through fattening livestock and raising poultry; and more efficient utilization of local feed resources. This should provide the base for reducing meat production costs and improving the efficiency of the farms' operations.

#### The Effects of Comprehensive Rationalization

As has already been noted, one of the important means for intensifying cooperative farming is realization of the special comprehensive rationalization program. The program is directed toward providing more rational utilization of material, manpower, and financial resources; and a significant increase in the efficiency of all the sectors in the consumer cooperative system.

The comprehensive rationalization program calls for the resolution of a number of major, key problems. One of these problems is increasing the efficient utilization of fixed capital. Between 1965 and 1982 fixed capital in the consumer cooperative network increased by a factor of more than 3. The active renewal of fixed capital reflects positive trends in the development of a material and technical base for rural trade and other sectors of cooperative activity. At present, however, priority is not being given to the task of further increasing the number of new enterprises, even though this work will be done in the future. Priority is being given instead to increasing the yield from the existing material and technical base. Comprehensive rationalization will help achieve this goal.

Measures that are being implemented within the framework of the comprehensive rationalization program have resulted in the following: more than 40 percent of the commercial space obtained in recent years was due to reconstruction, <sup>2</sup> technical refitting, and adaptation of existing facilities. The cost of 1 m



of commercial space created on the basis of rationalization is no more than 300 rubles; the cost of one space in a public eating enterprise is 600-700 rubles. New construction of these facilities would cost no less than 500 and 2200-2400 rubles, respectively. The annual savings in capital investments achieved is 120-130 million rubles. Furthermore, rationalization makes it possible to put new commercial space into operation in a significantly shorter period of time, and at the same time the commercial services for rural workers can be improved more effectively.

Another important element of rationalization is constant improvement in the standardization and specialization of the existing commercial network. In 1981-1982 alone cooperative organizations opened more than 2000 of the "Children's World", "Tekhnika", "Contemporary Housekeeping", "Sporting Goods", and "Furniture" specialty stores. Half of these stores were put into operation by making changes in the assortments of existing stores, that is, by "re-specialization" of the existing commercial network. This provides the most effective utilization of the increase in commercial space obtained through rationalization.

A great deal of importance is being given to increasing the goods turnover per 1 m<sup>2</sup> of commercial space, per 1 m<sup>2</sup> of warehouse space, and per place in the public eating enterprises. The higher this indicator is, the more efficient the utilization of the material and technical base of cooperative trade under other equal conditions. Currently unions of consumer cooperatives in the Baltic republics are earning 4000-5000 rubles per square meter of commercial space; in the Ukraine, Georgia, and Armenia, less than 3000 rubles are obtained per square meter.

If the average indicator for the cooperative system's goods turnover of 3200 rubles per 1 m<sup>2</sup> of commercial space is increased by just 10 percent by the end of this five-year plan and it reaches 3500 rubles, this would increase the goods turnover in existing enterprises by 6 billion rubles and at the same time, without any capital outlays an additional 120 million rubles' profit could be obtained. This is the price of the capital-output ratio in the commercial network. It can and must be increased by using progressive technological processes, improving the supply of goods, and introducing scientific organization of labor.

During the course of comprehensive rationalization, reserves are being sought for increasing the efficient utilization of the existing commercial network and for improving services. The Voronezh Oblast Union of Consumer Cooperatives offers a good example of active implementation of comprehensive rationalization. The oblast's local party and soviet organs did a great deal to help implement comprehensive rationalization at the commercial and public eating enterprises in the majority of the rayons. Over 10,000 m<sup>2</sup> of additional commercial space was obtained by rebuilding existing stores.

"Tekhnika", "Children's World", "Furniture", and other specialized stores were opened in Voronezh Oblast rayon centers. The sale of goods was organized by consumption groups--goods for women, for men, for housekeeping, for the home workshop, for the kitchen, and more. Operation of the wholesale sector was also reorganized: rational technological processes were introduced in

warehousing operations and in delivering goods to the retail network; there were substantial reductions in manual labor costs; and small-scale mechanization equipment is being used extensively. On the basis of comprehensive rationalization, public eating enterprises are increasing the output and sale of their own products, including semimanufactures, non-alcoholic beverages and kvass, and culinary and confectionery goods.

The introduction of progressive technological methods for supplying goods, based on the use of containers (packing equipment), is an integral part of the measures being taken for the comprehensive rationalization of cooperative trade. The foundation for mass incorporation of this technology in the consumer cooperative system was laid in the Estonian Union of Consumer Cooperatives, primarily in working with bread and bakery products. Out of the 1200 stores that sell bread, more than 1000 have now been converted to operating with the new packing equipment. As a result, the level of mechanization of operations tied to the delivery and sale of bakery products has reached 85-90 percent; and the number of motor vehicles used to transport a given volume of bread has been reduced by one-third. Formerly, 16,000-17,000 trays of bread per year were lost during transport; with the new technology the losses have been reduced to 700-800 container trays and in the future they can be reduced even more.

Cooperative organizations are making extensive use of progressive methods for delivering grocery items, beer, non-alcoholic beverages, confectionery products, and various types of industrially-produced consumer goods. A number of stores are equipped with special facilities, for which truck drivers and store employees have keys. Freight is delivered here in containers and unloaded at any time, regardless of the store's operating hours and whether any of its employees are in attendance.

According to estimates based on the example of the Estonian SSR, the total expenditures for the delivery and sale of 1 ton of goods using the new technology are reduced by 44 percent; the productivity of motor transport increases by a factor of 1.8; labor productivity in packing the goods increases by a factor of 3; and the time spent on loading and unloading the vehicles is reduced to one-fifth of the former amount. The Central Union of Consumer Cooperatives has set a goal of forming between 1983 and 1985 approximately 400 base complexes for introducing the packing equipment system according to the following model routes: bread plant--store's commercial hall; wholesale base--store's commercial hall; and industrial enterprise--store's commercial hall. In the future the experience of these base complexes should be spread to all the country's cooperative organizations.

The technology of commercial processes in department stores and many specialized stores is undergoing substantial reorganization. The Pruzhanskiy Rayon Union of Consumer Cooperatives in Brest Oblast, for example, has organized all its commercial processes on the basis of an active presentation of goods according to consumption groups. Clothing is sold in micro-groups based on sizes. For example, there are sections that contain women's knitted goods and other clothing in sizes 46-48, 50-52, and so on. Stores selling household goods have sections with tables that show place settings and display the various plates, cups, and other goods that are for sale.

In the process of rationalization, work is being done to provide a broader and more complete assortment of goods in food stores. Culinary sections are being opened to sell prepared dishes, semimanufactures, and confectionery and pastry items that have been produced by public catering enterprises. The product assortment in cooperative stores is also being expanded through the delivery of products that have been procured within the cooperative system itself and prepared by cooperative industry.

Comprehensive rationalization is directed also at resolving the key problem of increasing the efficient utilization of labor. The program calls for a system of measures to improve technological processes; and to introduce scientific organization of labor and new equipment; this will make it possible to bring into action all the reserves for more efficient utilization of manpower resources.

When comprehensive rationalization was introduced in the last five-year plan at 88,000 stores, with 268,000 sales clerks, the output per sales clerk increased to 26,000 rubles a quarter. This is almost 10 percent higher than in stores where rationalization was not introduced. One might think that this is not a great increase, but if this level were reached throughout the entire cooperative trade network, 35,000-40,000 sales clerks would be freed up.

Implementation of a special program for reducing the use of manual labor, tied closely to the comprehensive rationalization program, is one of the ways to increase labor productivity and thus to limit the rise in the number of workers. With the aim of solving this problem, cooperative organizations are concentrating their efforts not on introducing uncoordinated elements of the progressive technology, but on introducing complete technological cycles. This is the approach taken in the packing equipment example discussed above.

Comprehensive rationalization is also directed at saving fuel, power, and other material resources. There are quite a few reserves in this area, and the task of cooperative organizations is to strive for universal adherence to a strict policy of economy and to achieve the planned increase in volume indicators with the least expenditure of manpower and material resources.

It should be emphasized that previously comprehensive rationalization was implemented mainly in commercial activities alone. The experience that has been gained makes it possible to outline the basic directions for comprehensive rationalization in procurement, production, and other sectors of the consumer cooperative system.

In procurement, for example, goals have been set for the reconstruction and technical refitting of many facilities; this will make it possible to obtain additional capacities for storing products and to avoid losses with minimum expenditures. Another goal is to create an efficient, uninterrupted technological cycle for moving agricultural products from their place of production to the final consumer, which will be a sort of direct technological chain. Progressive technological solutions form the basis for making optimal choices in the reconstruction and technical refitting of enterprises, for

introducing a certain model for mechanization of operations, rational organization of freight transport, packing services, and so on.

Progressive methods for procuring potatoes, vegetables, and fruit require that the produce be received directly at the farms. According to estimates made by the Central Union of Consumer Cooperatives, in 1985 no less than 3 million tons of fruit and vegetable produce will be received in this manner. By 1990, all the fruit and vegetable produce should be received directly at kolkhozes and sovkhozes.

This goal can be met by setting up receiving and delivery centers at the production sites, providing them with the necessary materials-handling equipment, weighing equipment, and laboratories. Development of progressive technology incorporating the field--store, field--warehouse, and field--factory models will be aided by introducing during the current five-year plan a system for setting quotas for procurement organizations, kolkhozes, sovkhozes, and associations in terms of the volume of fruit and vegetable produce received and delivered directly at farms. This would include allocation of material resources needed to meet these quotas (materials handling equipment, containers, sorting machinery, scales, and so on).

Comprehensive rationalization of procurement operations also calls for improved shipment of goods--choosing the most rational means of transportation and routes, creating conditions for speeding up railcar turn-around time, and broader utilization of container shipping.

The storage of fruit and vegetable produce and potatoes between seasons is a special problem. The USSR Food Program calls for implementation of a number of measures for the rational distribution of warehouses for fruit and vegetable produce and potatoes, in order to make substantial reductions in the losses of these products and to decrease the shipment of produce during mass procurement periods. There are plans for broad introduction of progressive methods for storing potatoes, fruits, and vegetables.

For the consumer cooperative system, this means that it is necessary to make broader use of methods for storing potatoes and vegetables under conditions of active ventilation and natural and artificial cooling; and methods for storing fruit in a regulated gas atmosphere using artificial cooling, and so on. The capacity for storing produce using progressive methods will be almost 700,000 tons in 1985, and about 2 million tons by 1990. This will be achieved by putting new warehouses into operation, and even more important, by rebuilding and refitting existing storage facilities.

Cooperative organizations are taking into account the great prospects for developing production of fast-frozen goods and are carrying out a number of measures to organize production shops for fast-frozen fruit, berries, and vegetables at existing vegetable and fruit storage facilities that are located in mass fruit and vegetable production zones. A "refrigeration chain" is being formed that includes production, storage, delivery, and trade to help supply the population with fast-frozen produce.



In the comprehensive rationalization of procurement operations, considerable attention is being given to expanding primary processing of produce, such as making sauerkraut; pickling cucumbers, tomatoes, and watermelons; soaking apples; preparing purees, juices, and jams from apples, plums, and other fruits and berries; drying fruits; and so on. Currently, procurement organizations annually produce about 400,000 tons of sauerkraut; pickled cucumbers, tomatoes, and watermelons; soaked apples; and other products that come from primary processing of vegetables, berries, and fruits. This makes a substantial contribution to food resources.

The problem is that there needs to be a sharp rise in the organizational level of this type of activity; and broader incorporation of progressive technology that will provide a greater yield from the raw materials, a substantial decrease in losses of finished products, improved product quality, a decrease in the labor-intensiveness of production and a reduction in production costs. Among the progressive technological methods for primary processing are: the preparation of sauerkraut in vats and containers with polyethylene inserts, using vacuum pressure, and using a salt water press; pickling cucumbers and tomatoes and soaking apples in prefabricated, collapsible containers with polyethylene inserts, and so on.

In the set of measures being taken to rationalize cooperative industry, just as in other sectors, a primary role is assigned to the incorporation of progressive manufacturing methods. In bread baking, top priority is being given to measures for shifting to a method of storing and transporting flour without using any packing materials; to introducing rational methods for delivery operations and intra-plant transport of raw materials and finished products; to the mechanization of dough preparation shops; to the utilization of bread-baking forms that are covered with polymer surfaces to protect against burning; and to reconstruction of ovens using free-standing oven units.

In the food industry special attention is being given to incorporating low-waste and waste-free processes; specifically, to various methods for drying the pulp that remains after fruit and vegetable raw materials have been processed. Calculations show that cooperative enterprises put out over 250,000 tons of this kind of pulp every year. The experience of many cooperative enterprises, as well as of state food industry enterprises, shows that these by-products can be used very efficiently in various kinds of food production.

Using figures to summarize the over-all results, and to describe the effect of comprehensive rationalization, we arrive at the following. In the 11th Five-Year Plan there will be a saving of 800 million rubles in capital investments and distribution costs will be reduced by 50 million rubles. About 400,000 people will be freed up conditionally; this includes 324,000 in commercial operations; 50,000 in public eating enterprises; and 26,000 in industry. The results for the first two years of the five-year plan show that the goals that have been set are practical and all the necessary conditions exist for their fulfillment.

## Conclusion

Rational and universal incorporation of progressive methods, and revealing and utilizing existing reserves are the basic sources for increasing work efficiency and quality. It is necessary to raise the level of management and organizational activity in cooperative organizations and enterprises if advanced methods are to be put into practice more extensively and if reserves are to be put into use more quickly.

The consumer cooperative system has developed and is implementing a series of measures directed at improving the management of all links in cooperative operations. Primary attention is being focused on further strengthening of consumer societies, creating favorable economic and organizational conditions for them to operate efficiently, and developing a rational combination of the territorial and sectorial principles of strengthening the rayon link. Also on the agenda are problems involving a reduction in the management apparatus and decreasing the amount of funds spent on its maintenance; and developing initiative and an enterprising spirit among personnel, and business-like cooperation and interaction with local Councils of People's Deputies, agro-industrial associations, kolkhozes, and sovkhozes.

A 1982 meeting of the Council of the Central Union of Consumer Cooperatives was devoted especially to questions of economy and improving the effectiveness of management. The decision adopted at the meeting calls for specific measures directed at achieving higher results in management operations with lower expenditures, and for strengthening the policy of economy.

The existing difficulties and shortcomings in the operation of consumer cooperatives will be eliminated more rapidly as the system is provided with more skilled personnel. The training of personnel is being carried out on a broad scale. The consumer cooperative system has 8 higher education institutions, with a total of 50,000 students; 126 tekhnikums, with a total of 150,000 students; 157 schools; and about 2000 enterprises where students are trained. At its current stage, the role of cooperative education is growing significantly. The curricula and syllabi are being improved constantly. They are being tied more closely to pressing problems in the development of the consumer cooperative system, and in the educational process itself they provide the basic formation of creative thinking among future specialists. More attention is being given to improving workers' skills.

The success of consumer cooperative operations depends to a great extent on how efficiently the work is organized, and on the style of work at local sites. There are also issues that must be resolved by union planning organs.

The level of development of the cooperative goods turnover still does not correspond to the economic conditions that are developing in rural areas as a result of the expansion of the agro-industrial complex. Rural residents are still purchasing 18 billion rubles' worth of goods every year in the state commercial network. Rural consumers are forced to take shopping trips into cities, which takes them away from work and requires considerable expenditures of labor, time, and money. The reasons for this are tied mainly to the clearly out-dated proportions in the distribution of goods between urban and rural

areas, and the passive role played by the boards of many unions of consumer cooperatives in resolving this problem. It can hardly be considered sound that in 1981-1982, consumer cooperatives accounted for only 28-29 percent of the marketable commodity stocks of the most important products of light industry, primarily articles such as knitted goods and other clothing, and leather shoes.

Another pressing problem is providing cooperative procurement organizations and industrial enterprises with packing materials and special rolling stock for transporting perishable goods over great distances. These problems should be resolved through the joint efforts of the Central Union of Consumer Cooperatives and planning organs.

In connection with the development of private subsidiary farming, there has been a marked increase in rural residents' demand for the most basic types of gardening tools (sickles, scythes, pruning shears, wheelbarrows, and the like). The marketable commodity stocks of these items in the cooperative trade system are inadequate and only 60-80 percent of the orders are filled. In rural areas there are still frequent interruptions in the sale of articles such as shovels, watering cans, sprinklers, and pumps.

The following data offer evidence of the unsatisfactory response to the demands of the rural population for several types of gardening tools. In 1982 the Central Union of Consumer Cooperatives ordered 5.6 million scythes and about 2 million sickles from industrial enterprises. Only 80-90 percent of the orders were filled; and only 60-80 percent of the orders for many other types of gardening equipment and plant protection substances were filled. A little over half of the orders for milking machinery, electric-drive separators, and electric and gasoline-powered pumps were filled. There is a demand for 1.4 million milk containers, but in 1982 only 1.3 million containers were provided. There is little change in the situation in 1983.

The problem of manufacturing the equipment for small-scale mechanization of private subsidiary farms has still not been practically resolved. There are now 300 enterprises under 54 ministries and departments producing equipment of this nature, but the farms are still not being provided with highly efficient and inexpensive goods. Under contemporary conditions industrial ministries should devote more attention to developing rural trade and to meeting the demands of rural workers.

The development of individual housing construction in rural areas brings with it an increased demand for building materials. Marketable commodity stocks of building materials, however, and individual homes, are capable of meeting only half of the population's demand. The inadequate volume of building materials sold in rural trade holds back the construction of new houses, the erection of out-buildings for livestock and other needs tied to private subsidiary farming. The resolution of this problem would contribute substantially to increasing the efficiency of agricultural production and to keeping personnel in rural areas.

The consumer cooperative system is not just a large economic organization. One of its special features is that it is based on self-management by its huge mass of members, which now includes about 60 million people. Supported by their ever-growing activity, the consumer cooperative system can and should

strengthen its contribution to realizing the measures outlined by our party for further improvements in the people's welfare.

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CSO: 1827/17

## CONSUMPTION TRENDS AND POLICIES

### MOSCOW CITY COUNCIL MEETING ON CONSUMER GOODS OUTLINED

Moscow MOSKOVSKAYA PRAVDA in Russian 28 Sep 83 pp 1-2

[Report: "Consumer Goods--the Concern of the Soviets: 6th Session of the Moscow City Soviet of People's Deputies, 18th Convocation"]

[Excerpts] The 6th Session of the Moscow City Soviet of People's Deputies, 18th convocation, was held yesterday in the "Oktyabr'" movie theater.

Deputy V.D. Novozhilov, chairman of the ispolkom of the Leninskiy Rayon Soviet, was elected chairman of the session, and deputy M.Ye. Istomina, seamstress in Moscow's "Salyut" sewn-goods production association, was elected secretary.

The session approved the following agenda:

1. The work performed by enterprises, establishments and organizations of the city of Moscow to expand production and improve the quality of consumer goods and to enhance consumer goods trade in light of demands set at the 26th party congress and in subsequent decrees passed by the CPSU Central Committee.

2. Organizational matters.

Deputy V.F. Promyslov, chairman of the Moscow soviet's ispolkom, presented the report at the session. Deputy A.A. Tarasov, chairman of the permanent commission on industry, presented an additional report.

The session was addressed by P.Ye. Dikarev, secretary of the Sidanovskiy Rayon Committee of the CPSU; N.N. Shcherbakova, weaver in the "Trekhgornaya manufaktura" combine; A.V. Potapova, director of the "Moskva" department store; N.N. Tarasov, USSR minister of light industry; A.A. Nikitin, chairman of the Ispolkom of the Proletarskiy Rayon soviet; Hero of Socialist Labor V.P. Karpov, milling-machine operator at the Motor Vehicle Plant imeni Leninskiy Komsomol; T.D. Chernavskaya, senior merchandiser for the "Rostorgodezhda" base; and Yu.P. Potemkin, general director of the "MELZ" association.

V.V. Grishin, first secretary of the Moscow City Committee of the CPSU, took part in the session.

Responsible workers of the Presidium of the Supreme Soviets of the USSR and the RSFSR, the RSFSR Council of Ministers and ministers of the USSR and the RSFSR took part in the session.

Questions about satisfying the population's growing demands for consumer goods are always at the focus of attention of the Moscow city party committee, the capital's local soviets and their permanent commissions and deputies. A consumer goods production plan has been worked out in Moscow for the first time for the 11th Five-Year Plan, which is making it possible to efficiently combine branch and territorial interests and which contains assignments for the ministries, enterprises and rayons involved.

Today consumer goods production accounts for more than 40 percent of the city's total industrial output. They are produced by around 700 associations and enterprises under various ministries and departments.

During that part of the five-year period which has already passed Moscow's industry has exceeded the established assignments for consumer goods production. Goods totalling more than 450 million rubles have been produced over and above the plan. Product quality has been improved somewhat in recent years. The production of 4,500 new types of products has been mastered. At the present time more than 3,000 different consumer goods are being produced with the State Emblem of Quality.

Around 150 million rubles in capital investments have been applied to the construction, remodeling and reequipment of enterprises in the branches during the 11th five-year period. Capacities for the production of textiles and haberdashery have been placed into operation at the "Uzory" association, the "Moskvichka" sewn-goods factory has been remodeled, and new areas have been added at the "Parizhskaya kommuna" factory, the Semenovskaya Weaving and Finishing Factory, the Knit Sportswear Factory and the Silk Combine imeni Shcherbakov. More than 13,000 units of modern production equipment have been installed.

The deficiencies mentioned are due primarily to the fact that the republic's ministries of the light and textile industries, as well as the Union Ministry of Light Industry and the leaders of a number of enterprises, have been unable to reorganize production in good time for the production of goods demanded by the population.

Another serious deficiency lies in the fact that these branches are sometimes still doing little to reveal and apply internal production reserves. The remodeling of light and textile industry enterprises and their technical reequipment are proceeding slowly. Remodeling of the "Trekhgornaya manufaktura" combine has been underway for around 10 years now, for example. Failure by the client to deliver the technical documents on time has prevented construction from being started on the Moscow Weaving and Finishing Combine and the PTU (vocational-technical school) for the "Burevestnik" association.

The assimilation of capital investments is lagging also at a number of other enterprises. This is due in great part to the fact that contract organizations under Glavmospromstroy [Main Administration for Construction in Moscow Oblast] are not coping with their assignments. Through the fault of the construction workers, for example, the target date for start-up of a production block at the Silk Combine imeni Shcherbakov has been moved back three times, and the date set for the start-up of a PTU at the "Raduga" sewn-goods association has been extended twice. The start-up of a second section of the production block at the Semenovskaya Weaving and Finishing Factory is being delayed, as is construction work at the "Bol'shevichka" sewn-goods association and a combine for the production of cotton items.

Comrade Kaminskiy, chief of Glavmospromstroy, must take determined steps to eliminate serious deficiencies in the construction and remodeling of the city's textile and light industry enterprises.

The heads of the enterprises and the ispolkoms of the rayon soviets, in turn, must provide the construction workers with needed assistance and step up their control over the construction of these projects.

A considerable amount of work has been performed toward the implementation of this program during the period which has elapsed. In the food branches of industry the plan for this two and a half years of the five-year period has been fulfilled by 102.2 percent, and products totalling 273 million rubles have been produced over and above the plan.

We have to admit, however, that the demands of the Muscovites for certain food products are still not being fully satisfied. To a certain degree this is due to the fact that the construction of new capacities for the production of food products is being carried out slowly, and the mastery of capacities already in operation is being dragged out. Significant losses are still occurring in the city in the storage of potatoes, fruits and vegetables. The containerized delivery of goods needs to be improved, and the output of packaged products must be increased.

There are still significant deficiencies in the operation of this branch, however, which is expected to satisfy the city's needs. Its capacities are not always used efficiently. A number of enterprises rarely renew their assortment, and their products are not always in demand with the Muscovites.

The expansion of consumer goods production also depends greatly upon the enterprises of other branches under the Moscow City Ispolkom: Glavmospromstroymaterialy [Main Administration of the Building Materials and Structural Parts Industry], Glavmosavtotrans [Main Administration of Automobile Transportation], Glavmosmontazhpetestroy [Main Administration for Installation and Special Construction Work] and others. They are still not satisfying the demand for consumer goods.

The enterprises of Group "A" branches are expected to make a large contribution to the task of providing the Muscovites with manufactured goods.

The enormous scientific and technological potential of enterprises, scientific research and design organizations of these branches are still not being adequately utilized for developing and producing new types of products.



Some enterprises are reducing the production of goods in short supply for the Muscovites. During the period which has elapsed, for example, the Production Association imeni Vladimir Il'ich (Comrade Degtyarev, director), has fallen short of the plan by more than 4,000 washing machines, the Moscow Radio Plant (Comrade Kirsanov, director)--by around 150,000 radio receivers, and the "Moshytkhim" production association (Comrade Panteleyev, director)--by 1.5 million rubles worth of household chemical products.

One of the significant shortcomings lies in the fact that far from all of Moscow's enterprises have set up the production of consumer goods. At the same time, 70 percent of the household items sold in Moscow are hauled in from other economic regions.

The trade network has an important role in the production, the enlargement of the assortment and improvement of the quality of the products, as well as the matter of providing the population with them. Ties between industry and trade have been strengthened in recent years, and the materials and equipment base has grown.

We cannot be satisfied with the performance of the Main Trade Administration, however, or that of the Glavmosplodoovoshcheprom [Main Administration of the Fruit and Vegetable Industry in Moscow]. The caliber of the service is poor in many stores. In some cases customers are ignored or treated rudely, and we have fraud and overcharging and violations of trade regulations. At the same time, a number of leaders of trade administrations and the ispolkoms of rayon soviets are not taking effective steps to improve trade services for the population and are not stepping up their control over the performance of the enterprises.

In today's situation, in which the consumers are making greater demands of the assortment and the quality of products, trade and industry must interact more closely.

We also need to point out the fact that most of the industrial and trade enterprises are still not adequately studying consumer demand and are doing little to influence the shaping of demand.

The tasks of the ispolkoms, the Moscow city and rayon soviets, Mosgorplan [Moscow City Planning Commission] and the leaders of industrial enterprises, trade and transportation organizations are the following: to eliminate the deficiencies mentioned, to improve the development of annual and long-range production plans and to better fulfill contractual commitments.

One of the central issues of the party's economic policy is that of expanding the production and improving the quality of consumer goods. Deputy P.Ye. Bizarev, first secretary of the Zhdanovskiy Rayon CPSU Committee, stated that the resolution of this matter is directly linked to the fulfillment of the extensive social program advanced at the 19th party congress and further developed in the details of subsequent plenums of the CPSU Central Committee.

Two thirds of the rayon's industrial enterprises are engaged in satisfying the demand for consumer goods, and 60 percent of the total industrial output consists of consumer goods.

Purposive organizational and political work by the rayon party committee and the Ispolkom of the rayon soviet to strengthen production's materials and equipment base, to perfect technology, to enlarge the assortment and improve the quality of these products has therefore become one of the main elements of the general trend in the work to successfully complete the assignments for this year and for the 11th five-year period as a whole.

These matters are regularly discussed at plenums and in the bureaus of the rayon committee of the CPSU, at Ispolkom meetings and rayon soviet sessions.

The speaker went on to note, however, that the party raykom and the ispolkom of the rayon soviet have not achieved a situation in which consumer goods production has been set up at absolutely all the enterprises. Some of the rayon's enterprises are using obsolete equipment to produce consumer goods.

Too little attention is being given to the use of industrial byproducts for producing consumer goods. We have to admit that in some places the production of consumer goods is not regarded as mandatory.

The work of the party raykom and the rayispolkom is directed toward the elimination of these deficiencies.

The degree to which our plans are realistic and the effectiveness of the struggle for conservation and thrift are inseparably linked to a high level of aware discipline. At the present time, when production conditions make it necessary to count the minutes and seconds, there can be no justification for or leniency toward truants, loafers or drunks.

Deputy A.V. Potapova, director of the "Moskva" department store, noted in her speech that the city's trade organizations are taking steps to satisfy the demands of the consumer more fully. Another 320 stores will be built and begin operating before the end of the five-year period, including 120 stores this year. The nation's largest department store, the "Moskovskiy," which will have a total area of 56,000 square meters, will be among the new facilities to be opened. It is being built at the order of the electors. Other large enterprises are also being built, including department stores for the sale of children's goods and large dietetic food stores.

Unfortunately, the deputy stressed, we still have many problems with respect to meeting the consumers' demands for goods for the youth, for children and the elderly.

Deputy I.G. Chernyavskaya, senior merchandiser at the base, said that clothing production volumes are increasing by the year. As a result of active efforts by the trade system, enterprises have considerably expanded the assortment of clothing and improved its quality, along with increasing the total production volume.

The speakers mentioned problems having to do with improving the quality of the articles produced and delivering them to the trade network.

Deputy Yu.P. Potemkin, general director of the "MELZ" association, stressed the fact that 49 types of consumer goods have been developed and their production mastered at the association since the beginning of the 11th five-year period. The specific nature of the list of consumer goods produced and the growing demands of the consumers make it necessary to constantly replace the assortment and improve the quality and appearance of the products.

Despite the fact that the production of a large number of items is being increased each year, we have still not saturated the market. We therefore plan to increase the production of consumer goods another 1.5-fold.

The task of increasing the output of these products, however, is already being seriously limited by possibilities for providing the materials and assembly parts. We are therefore facing the problem of outstripping rates of growth for our capacities over possibilities for providing the capacities with materials. As a result, of course, we are faced with the question of whether it is expedient to develop production at such rapid rates.

We all know, after all, that there is a surplus of practically all goods in our stores. The problem is now not so much one of increasing the quantity as of greatly improving their quality, their appearance, dependability and durability. The existing system of planning, moral and material incentives and the system for summing up the results of the socialist competition take these things into very little account, however. We are therefore recommending that the effort to greatly increase the role of quality indicators in the system of economic planning, moral and material incentives be sharply increased.

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CSO: 1827/29

## CONSUMPTION TRENDS AND POLICIES

### REORGANIZATION OF ADMINISTRATIVE FUNCTIONS DESCRIBED

Moscow KHOZYAYSTVO I PRAVO in Russian No 6, Jun 83 pp 16-19

[Article by A. Mikhaylichenko, UkSSR First Deputy Minister of Trade, and I. Korol'kov, department head at the Kiev Trade and Economics Institute: "For a New System of Management"]

[Text] The further enhancement of the effect of the economic mechanism on the increase in the effectiveness and quality of work in trade and public feeding is a legitimate process due to, on the one hand, the need to better satisfy consumer demand and more fully take into account conditions and potential and, on the other, the significant development of this sphere of consumer services that is occurring these days. But it is no secret that in this respect we still have many shortcomings.

And one of these shortcomings is, strange as it may seem at first glance, due to the large number of organizations providing trade services. In particular, trade in Ukrainian cities is handled not only by enterprises of the republic's Ministry of Trade but also by departments of workers' supply (ORS's) of 21 other ministries and departments, consumer cooperatives, and other organizations belonging to some 25 ministries and departments. Many of these sell the same goods as the enterprises of the republic's Ministry of Trade. The simultaneous functioning of such jurisdictionally disparate trade networks within the same city greatly complicates planning, carrying out of a uniform technical and technological policy, management of the supply of goods, etc. In such a situation it is more difficult to establish citywide dispatcher services, uniform transport, repair and other service systems, and citywide automated systems. This multiplicity of ministries and departments participating in commodity circulation results in overstaffing along with the concomitant extremely high expenditures and, most importantly, in the planning of the development of trade and public feeding systems without due allowance for the interests of the population of a given city or oblast.

The conditions for meeting more fully consumer demand for these kinds of services are envisaged in the General Plan for the Management of Trade in the UkSSR which is currently in the introductory stage. This plan brings order into the hierarchy of management, eliminates the duplication of activities among and within disparate trade systems, enhances the role of local Soviets in organizing trade services for the population, eliminates the multiplicity of control agencies, determines rational types of retail- trade and public-feeding organizations for distinct groups of cities, etc.



For example, the management of trade and public feeding within the system of the UkSSR Ministry of Trade will be chiefly based on a four-level system. The five-level system is retained by way of an exception only in certain largest cities. For consumer cooperatives either four- or five-level management systems may apply depending on particular conditions.

The General Plan provides for an explicit demarcation of the regions and spheres of activity of trade systems in the republic. In particular, the enterprises of the Ministry of Trade will, once the Plan is completely introduced, provide services in 152 cities inhabited by more than 70 percent of the urban population. These cities include cities under republic jurisdiction and a predominant number of cities under oblast jurisdiction as well as a number of cities under rayon jurisdiction. In 83 cities whose combined population accounts for some 12 percent of the republic's total urban population, the ORS system of ministries and departments will become the principal trade system. These are mostly small settlements in the vicinity of mines, power stations and other industrial enterprises. Lastly, in 165 cities, chiefly those under rayon jurisdiction, as well as in the countryside, the system of consumer cooperatives will become the principal trade system. Only in eight cities of the republic the concurrent operation of two trade systems--those of the Ministry of Trade and those of the ORS--will be retained by way of an exception.

To further enhance the role of the local Soviets of workers' deputies in the organization of trade in practically every city served by the system of the UkSSR Ministry of Trade, the trade and public feeding administrations of the Soviets have been reorganized. In addition, in these cities, a marked increase in the role played in retail trade turnover by the organizations and enterprises under the direct jurisdiction of the local Soviets is envisaged. To this end, they are being granted jurisdiction over the parallel network of the retail trade and public feeding enterprises of the consumer cooperatives, the ORS of the ministries and departments, and a substantial part of the network of enterprises subordinated to the UkSSR Ministry of Trade. In particular, the "Ukrkurortorg" [Ukrainian SSR agency for Trade Services in Health Resorts] has been disbanded together with its local branches and markets and its retail trade network as well as public feeding enterprises have been transferred to the jurisdiction of local organizations. Under such conditions, the provision of trade services in health resorts has been made the responsibility of the appropriate trade and public feeding administrations of the oblast and city executive committees of the Soviets of workers' deputies, as well as of the functional subdivisions of the central apparatus of the republic's Ministry of Trade. More than an half of the stores operated by the "Odezhda" [Clothing] and "Obuv'" [Footwear] republic-wide wholesale and retail trade associations has also been transferred to local jurisdiction.

Note that the General Plan for the Management of Trade in the Ukrainian SSR does not provide for any fundamentally new administrative agencies or types of trade organizations but merely eliminates those among them which are less effective. At the same time, it provides for a broad expansion of those administrative agencies and trade networks which are performing most effectively. For example, the overall city-wide control functions of the trade and public feeding administrations of the oblispolkoms [oblast executive committees of the Soviets of workers' deputies] have been retained; their operations are governed

by corresponding standard regulations issued by the oblispolkoms which, in their turn, are approved by the UkSSR Council of Ministers. In accordance with these normative regulations, these administrations direct the activities of retail-trade and public-feeding enterprises operating on cost-effective basis and under local jurisdiction, and they also oversee, in their capacity as subdivisions of the oblispolkom, the activities of the organizations of the system of the UkSSR Ministry of Trade as well as of all other ministries and administrations operating on the territory of their oblast.

Generally speaking, such supervisory functions include: the granting of permits for opening and shutting down stores, restaurants, etc.; overseeing their specialization, mode of operation and forms and rules of trade; monitoring adherence to the prescribed variety of merchandise, sanitary regulations, etc. The trade administration of the oblispolkom allocates, moreover, goods stocks to all state-run trade organizations regardless of their administrative jurisdiction and in accordance with their approved plans of goods turnover, and it also allocates certain foodstuffs to consumer cooperatives. It is worth nothing that this supervisory function does not entail the right to intervene in the economic activities of these organizations.

At the same time, the agencies administering trade in cities have undergone major changes. Thus, prior to the introduction of the Master Plan there had existed no special city-wide agencies for state-subsector control of trade and public feeding in a large part of cities under oblast jurisdiction other than oblast seats and hence no one was in charge of overseeing these [trade and public feeding] subsectors there. In the other, larger cities it was the trade and public feeding administrations of the city ispolkoms that functioned as the city-wide subsector control agencies. Their operations are governed by the Statute on the Trade Departments of the City Ispolkoms, which subject to approval by every individual city ispolkom, since there is no standard statute. Pursuant to the above statute, the trade administration of a city ispolkom (like the trade and public-feeding administrations of the oblispolkom) is the sole agency exercising--far from completely at that--the function of state control over trade and public feeding regardless of their administrative jurisdiction. The trade administration of the city ispolkom itself lacks administrative jurisdiction over the trade network. In view of the small staff of the average such administration (usually one to three employees) and its lack of the right to intervene in the economic activities of trade organizations, its influence on the process of trade services to consumers has been inadequate.

As experience showed, it is precisely those trade administrations of city ispolkoms which are endowed with broad powers that proved to be more effective city-wide agencies of state subsector control. Hence, in accordance with the Master Plan, local trade divisions and and city public feeding departments have been disbanded in the republic's cities, along with trade divisions of of city ispolkoms in some cities. They were supplanted, in an overwhelming majority of cities, with trade administrations and public feeding administrations of city ispolkoms.

It is worth noting that the diversity of the conditions predetermined the need for two types of trade and public feeding administrations. In particular, in the republic's largest cities (with an annual retail trade turnover of 700 and

more million rubles and public feeding turnover of 70 and more million rubles), these administrations operate in the capacity of middle-level management, that is, they exercise direct jurisdiction over the corresponding local retail trade and public feeding organizations (enterprises operating entirely on cost-effective principles).

In cities under oblast jurisdiction other than oblast seats the trade divisions of city ispolkoms have been disbanded and corresponding trade administrations and public feeding administrations of city ispolkoms, both operating on cost-effective principles, have been established on the basis of retail trade and public feeding organizations.

These cost-effective city ispolkom administrations have become extremely distinctive and unique state subsector agencies, and they have multiplied throughout the Ukraine. They combine in themselves the functions of the trade divisions of city ispolkoms, that is the functions of state control over trade and public feeding, with the functions of administrative agencies, since they exercise direct jurisdiction over a large part of the trade network. This makes possible territorial planning, and in particular the drafting of city-wide plans for retail trade turnover, as well as the allotment of stocks of goods to the city as a whole rather than separately to every trade organization and financial control by these administrations over the resources needed to develop the material-technical base of trade and public feeding. Further, this makes it possible to pursue the specialization of the trade network, determine rational operating modes for trade enterprises with allowance for the needs of the population, etc.

Thus, the establishment of cost-effective administrations of city ispolkoms in lieu of administrative organizations for retail trade and public feeding (markets, trusts, meals combines, etc.) is resulting in efficient city-wide organizations for the administration of these subsectors, practically without any enlargement in their personnel--organizations that act in behalf of the local Soviets which, of course, enhances the effectiveness of their action.

In accordance with the General Plan, trade administrations operating on cost-effective principles are being established in cities under oblast jurisdiction other than oblast seats in which the goods turnover of the locally administered retail trade network reaches up to 200 million rubles a year, along with public feeding administrations, also operating on cost-effective principles, in the same cities and with a public feeding turnover of from 7 to 35 million rubles a year.

It should be pointed out again that organizations of this kind are not fundamentally new. In particular, city-ispolkom trade administrations operating on cost-effective principles have been functioning for a long time in certain cities of the Baltic republics of the USSR and proved themselves to be extremely effective organizations. In republics with oblast-type administrative division the formation of such organizations had not previously been recommended. In view of their great effectiveness, however, a city-ispolkom trade administration operating on cost-effective principles was established by way of an experiment in Kremenchug, Poltava Oblast, and also proved to be effective. Thus, in just one year goods turnover per trade employee in Kremenchug increased by 4 percent, handling expenses dropped by 0.31 percent and profitability increased by 0.6 percent of the goods turnover. In view of



the effectiveness of administrations of this kind, they have now been set up in this republic in all cities other than oblast seats.

The operations of the city-ispolkom trade and public feeding administrations based on cost-effective principles are governed by appropriate regulations confirmed by the city ispolkoms. To standardize these regulations, the USSR Ministry of Trade has now drafted Standard Regulations under which city-ispolkom trade and public feeding administrations perform two functions: first, they administer the network of stores and public feeding enterprises under the local jurisdiction and, secondly, they oversee the operations of the retail trade network (or the network of public-feeding enterprises) of all ministries and departments. In effect, they perform the same functions as the trade and public feeding administrations under the oblispolkoms, except that their operations are confined to the boundaries of their city and with the difference that the trade and public-feeding administrations of the oblispolkom exercise jurisdiction over organizations (markets, associations, canteen crusts, public-feeding combines, etc.), while the corresponding administrations under the city ispolkom, operating on cost-effective principles, exercise jurisdiction over stores, canteens, restaurants, etc., that is directly over enterprises themselves.

City-ispolkom departments of trade as city-wide agencies of state subsector control have survived only in oblast seats in which the goods turnover of locally subordinated organizations reaches 700 million rubles a year. These cities are, as a rule, comparatively small oblast seats. As a result, trade and public-feeding administrations of oblispolkoms are effectively enabled to administer directly the locally subordinated trade organizations and cost-effective enterprises.

In accordance with the General Plan, retail trade associations also are becoming widespread in the cities of the Ukrainian SSR. They are being established to supplant markets chiefly in cities under republic jurisdiction and oblast seats. It is worth noting here that these associations have passed the test of time. In particular, they have proliferated to some extent in certain cities of the RSFSR, the BSSR and some other Union republics. By way of an experiment, retail-trade associations were organized several years ago in Chernovtsy (UkSSR). Their operating experience showed that the attendant concentration of commercial and administrative operations produces a substantial economic effect. Thus, in the 2 years of existence of the Chernovtsy "Promtovary" [Manufactured Consumer Goods] Association, the goods turnover per employee of that association increased by 8.9 percent and per square meter of sales area, by 12.9 percent, while handling expenses dropped by 0.11 percent and profitability increased by 1.22 percent of goods turnover.

The operations of retail-trade associations are governed by appropriate regulations. Pursuant to the Ordinance No 149 of 27 August 1968 of the USSR Ministry of Trade, the provisions of the Statute of the Socialist State Production Enterprise apply, with some exceptions, to these associations as well. The associations pursue trade and administrative activities and are legal entities with all the rights and duties ensuing therefrom.

The city-ispolkom trade (public feeding) administrations operating on cost-effective principles and the retail-trade market associations are formed from mergers of small and insufficiently effective organizations as well as as a



result of the disbanding of enterprises of the republic's Ministry of Trade and other systems that previously duplicated these activities. Once the conversion to this new system of management is completed, 72 cost-effective city-ispolkom trade administrations and 38 cost-effective city-ispolkom public feeding administrations will operate in the republic's cities, along with 16 "Prodtovary" [Food Marketing] and 26 "Promtovary" retail trade associations as well as 14 urban public feeding associations and various other types of associations. It is worth noting that prior to the introduction of the Master Plan for the administration of trade in the republic there had existed only one cost-effective city-ispolkom trade administration, one "Prodtovary" association and one "Promtovary" association. Calculations show that the conversion to this new administrative system will increase by nearly 25 percent the goods turnover per trade organization (cost-effective enterprise) within the system of the Ministry of Trade alone, in this republic.

As of the present, 21 oblasts and the city of Sevastopol' have converted to the new structure of the administration of trade and public feeding in the republic. As a result, 33 "Prodtovary" and "Promtovary" associations already operate in the oblast seats, along with 11 urban public feeding associations. In cities under oblast jurisdiction that are not oblast seats, 62 cost-effective trade administrations and 19 cost-effective public feeding administrations operating under the city ispolkoms have been established.

These administrative reforms resulted in reducing, within the system of the UkrSSR Ministry of Trade alone, by 6,500 persons the size of the administrative staff, along with corresponding savings of more than 9 million rubles a year in salaries and overhead. It is to be expected that these savings will increase still further once the measures envisaged in the Master Plan are completely implemented in the republic's trade administration.

However, certain ministries such as the republic ministries of ferrous metallurgy, coal industry and certain others, are hampering the application of these measures. They either flatly refuse to transfer their trade networks to the jurisdiction of the local Soviets or transfer a much smaller part of them than specified in the decisions of the oblispolkoms, on the grounds that, supposedly, trade services to the employees of their subsectors might otherwise deteriorate. But this conclusion cannot be accepted, since relieving the ORS of their superfluous function, that is, of providing trade services to the urban population, can only positively affect the supplies of goods and hot meals to workers at their workplaces and stimulate the development of subsidiary farms as a source of consumer goods.

As envisaged by the General Plan for the Management of Trade in the Ukrainian SSR, the enhancement of the role and responsibility of the local Soviets for the development of trade and public feeding and the establishment, in cities, of city-wide agencies for state control by the local Soviets improve the administrative machinery of these subsectors and serve to elevate the level of services to the population.

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## CONSUMPTION TRENDS AND POLICIES

### ROUNDTABLE ON FAILED CONSUMER GOODS INDUSTRY

Moscow SOVETSKAYA ROSSIYA in Russian 2 Sep 83 p 3

[Roundtable discussion at 'SOVETSKAYA ROSSIYA': "The Offensive Against Shortages" under the rubric "Polemics--Dialogues--Opinions"; passages in capital letters appear in boldface in source]

[Text] A Reader's Query, by I. Nikol'skaya, Novgorod

Recently newspapers have often been publishing material on goods in mass demand. I read with interest the material printed under the rubric "The Indicator and the Consumer." In my opinion, it represents candid and direct dialogue between the newspaper and the reader. But it is still too early to place the dot above the 'i.' Is it not time to ask of the heads of ministries and departments responsible for the production of consumer goods: what steps do they finally intend to take to meet consumer demand completely?

A Reader's Query, by N. Petrov, Kaluga

Publications dealing with the production of consumer goods usually criticize ministries or departments. But every item of merchandise first passes through the hands of workers, above all. Thus its condition when bought by a consumer hinges directly on a worker's attitude toward his labor as well as on his skill and occupational honor. It turns out that the situation in this respect is far from completely satisfactory, since we often complain about the poor quality of products. It seems to me that this newspaper should also criticize the moral aspect of such an important indicator as man's attitude toward his own labor, his personal responsibility.

Mail to the Column "The Indicator and the Consumer" Discussed by Heads of Ministries and Departments at SOVETSKAYA ROSSIYA's "Roundtable"

According to statistics, more than 400,000 varieties of goods can be bought in our stores. Hundreds of thousands of stores serve the population. About a billion purchases are made in them daily. In the RSFSR the average per capita sales of goods are nearly thrice as large as 20 years ago. Aren't they impressive figures? And yet, how many people still leave stores empty-handed and, unable to buy what they want, <sup>swill</sup> their savings accounts! What is particularly alarming is that the indicators of goods output are rising but deferred consumer demand also is growing--on the scale of nearly 200 billion

rubles. The problem is at present becoming an acute socio-economic issue of major interest to the public. This is demonstrated by hundreds of letters received from the readers by the editors of this newspaper. It is these letters that suggested to this newspaper a new topical column, "The Indicator and the Consumer."

The Editors promised the readers that their letters will be considered by the heads of the ministries and departments responsible for meeting the demand for consumer goods. The questions asked by the letter writers may be grouped as follows: WHY DOES THE AVAILABLE MERCHANDISE LAG BEHIND THE CHANGES IN DEMAND? WHY DOES THE QUALITY OF PRODUCT OFTEN NOT JUSTIFY THE HOPES OF BUYERS? WHO SHOULD DEFEND THE INTERESTS OF CONSUMERS AGAINST MAKERS OF SHODDY GOODS/ HOW TO TIGHTEN THE ECONOMIC, JUDICIAL AND MORAL RESPONSIBILITY OF PRODUCTION AND COMMERCE PERSONNEL TOWARD THE MASSES OF CONSUMERS?

The roundtable discussion at 'SOVETSKAYA ROSSIYA' was attended by A. D. Alekhin, deputy chief of the administration for the legal aspects of the national economy under the RSFSR Ministry of Justice; K. V. Bol'shakov, First Deputy RSFSR Minister of Trade; Ye. F. Kondrat'kov, RSFSR Minister of Light Industry; V. K. Kudelin, administration chief at the USSR Gosnab; G. I. Kurganov, deputy minister of machine building for the light and food industry and household appliances; A. M. Paramonov, RSFSR Minister of Textile Industry; V. S. Smirnov, USSR Deputy Minister of Chemical Industry; and V. P. Yunitakiy, deputy chairman of the USSR Gosstandard.

Offensive Against Shortages: Roundtable Discussion Among the Persons Named Above, Moderated by O. Filatova and V. Shilov

"Fairly often still, goods supplies are distributed very non-uniformly. A broad variety of goods is available in stores in some cities, while in others the monotony is such that there is no place to rest one's eyes. What steps are being taken by the republic's ministry of trade to improve consumer services? Why are so few fashionable new products being sold? Why is it sometimes difficult to buy clothing and footwear meeting the needs of elderly people and youth, knitwear and bedlinen?" These questions were asked in the letters by V. Belonozhenko of Blagoveshchensk, M. Baykov of the Mordovian ASSR, L. Isayev of Smolensk, M. Ivanova of Kislovodsk and others.

The roundtable discussion was begun by K. V. Bol'shakov, who said:

#### Administrative Arithmetic

"Criticism by consumers is justified. We trade employees also are extremely alarmed by the circumstance that the stocks of goods are growing but the plans of goods turnover are increasingly difficult to fulfill. In recent years the nature of market demand has changed sharply, and this requires a major restructuring and organization of commercial activities. Our ministry is at present taking measures to rectify more rapidly the existing situation. Since last January, for example, unsalable merchandise has been replaced, redistributed on the scale of more than 1.5 billion rubles among regions. Trade and credit being expanded and a growing number of large specialty stores is being opened.

"Meeting the demand more fully requires that industry, too, react more rapidly to present-day needs of consumers. Unfortunately, so far many enterprises still continue fairly often to operate in the traditional manner. Although yearly reports point to a fairly high level of the updating of the variety of products manufactured by the light and textile industries and interesting new products are demonstrated at expositions and shows, in reality it takes years to organize their mass production.

"The problem of jeans and velvet fabrics remains as acute as ever and the output of fashionable knitwear goods is extremely low. This year we asked our suppliers to increase their production of clothing made of artificial leather and cotton as well as of footwear with polystyrene-foam soles, and to update the variety of synthetic-fiber and woolen fabrics. But the orders of the trading apparatus for many types of products have been fulfilled only 60-70 percent and sometimes to a lesser extent as well. For example, we concluded a contract with the RSFSR Ministry of Light Industry for the delivery of highly fashionable merchandise. How much time and effort was spent on coordinating the plans! Yet the net result is that we receive only one-tenth of the volume that we ordered.

"Another alarming problem is that the growth rate of the output of many products of the light and textile industry is declining and lagging behind the targets of the five-year plan, and their variety is shrinking as well. It still happens fairly often that enterprises strive to produce chiefly for quantity's sake, without considering the interests of particular buyers, the demand of various population groups, and are reluctant to start manufacturing low-cost and moderately priced products."

...Again let us consider the letters. I. Rodin of Moscow reports that: "It has become a problem to buy cotton socks, but all stores are overstocked with socks made of synthetic fibers." V. Shushnova of Chelyabinsk Oblast asks: "But while it still is possible to select a dress, a blouse is hard to find. Is it because enterprises do not find it advantageous to produce blouses?" A. Golubev of Kostroma, N. Artemova of Kemerovo Oblast, E. Bikhariyeva of Serpukhov and many others also express major reservations about the available variety of clothing, footwear and fabrics.

What can minister Ye. F. Kondrat'kov answer to the complaints of buyers and trade?

"Each year the enterprises of the RSFSR Ministry of Light Industry update nearly two-thirds of the variety of their output. Why then can't we at present keep abreast of the needs of consumers? The point is not that we prefer making products convenient to us and ignore the interests of consumers. However just the complaints of trade about us may be, let me point out that:

THE OPERATIVE RESTRUCTURING OF INDUSTRY IS LARGELY PREDETERMINED BY THE ACCURACY OF THE FORECASTS OF DEMAND. SO FAR, UNFORTUNATELY, WE HAVE NOT SUCCEEDED IN FORMULATING GENERAL TACTICS. TRADE IS LIMITED ONLY BY THE DISTRIBUTION OF THE OUTPUT PRODUCED.

"The basis for planning the production of goods in the needed variety should be the orders placed by trade. To this end, trade should analyze demand systematically and deeply and promptly react to changes in demand."



The position of the minister of light industry was supported by A. M. Paramonov, the minister of textile industry:

"Orders should be properly considered before being placed. But the trading apparatus not infrequently approaches this task mechanically, formally. Afterward it refuses to accept the products it has ordered. I also fully share the opinion that trade has a weak idea of the demand. Let me cite just one example: When narrow ties were in fashion, we were ready to convert to producing them. But trade was in no hurry to order them--substantial stocks of wide ties had to be sold first. The question that begs itself is why had these stocks been accumulated? Was it so difficult to foresee that the fashion would suddenly change? Such miscalculations are too costly: stocks of unsalable merchandise grow, and yet raw materials, equipment and manpower could have been utilized instead to produce goods that are scarce...."

#### Our Commentary

As we see, the partners approached the discussion with mutual grievances. But what is behind this? Let us begin with trade. It is logically closest to the interests of the consumer. It would seem advantageous for trade to offer in stores for sale the goods that are in demand rather than goods that gather dust on store shelves. Really? Always? So far trade has been responsible not for what it sells but for how much. The main official criterion of its performance is the plan of goods turnover in rubles. Hence the not infrequent tendency to order the more expensive products. If these cannot be sold, their prices are cut--at the expense of the state budget.

Wholesale bases are obligated to assure the proper variety of merchandise in all the colors and sizes for retail stores. But essentially they do not attend to this task. Why? Owing to a shortage of warehousing space, manpower, etc. But the main reason is rather something different: the wholesale link is not responsible for the end-result--the sales of goods to the population.

Is not this the reason why the indicators of performance of the trading apparatus are still imperfect and it is not at present taking effective--economic and legal--steps against suppliers who fail to fulfill the targets as to variety of output and conveniently stress quantity over variety? Last year, for example, the plan of contractual supplies was underfulfilled by two-thirds of the enterprises of the USSR Ministry of Light Industry....

NOWADAYS TRADE SHOULD ACT NOT AS A MEDIATOR-DISTRIBUTOR BUT AS AN ORCHESTRATOR OF THE PROCESS OF MEETING CONSUMER DEMAND AND HENCE ALSO DICTATE TO PRODUCTION IN BEHALF OF THE CONSUMER. How can bridges between the consumer and the enterprise be erected more rapidly and reliably?

Ye. F. Kondrat'kov declared to those present: "At present 26 company stores operate within the system of the Ministry of Light Industry, and their number will double toward the end of the five-year plan. Such stores are unique laboratories for analyzing consumer demand."

Let us assume that this is so. But can half a hundred company stores determine the republic-wide needs? Obviously, they will not sell mass-produced goods in

large volume. There appears to be a need for large commercial-industrial associations operating on an experimental basis, even if only on the scale of an oblast, in order to verify the extent of the reliability of the channels for feedback by consumers.

There is also another way. The experience of the Chelyabinsk trade system is interesting. The collective of the shopping center in that city concluded an agreement for cooperation with local supplier enterprises. The updating of the variety of merchandise is promoted by a system of contract prices for particularly fashionable merchandise. Small series of clothing are manufactured and supplied to the stores--and sell like hot cakes as the saying goes. But perhaps totally different approaches may prove much more effective? What approaches, precisely? This has to be decided by experts. The important thing is that they be explored.

#### Quality on the Scales of Economics

"How many different explanations are offered by various administrators to justify shoddy goods by blaming the quality of raw materials, chemicals or equipment? But perhaps the problem is different and due to indifference and lack of initiative?" "It is no accident that many people still prefer to buy imported goods: domestic goods not infrequently are markedly inferior to them in appearance, finish and quality of sewing." "Everyone is pleased to buy cotton goods. But sometimes the fabric gets bleached the first time it gets laundered. Is it so difficult in our times to organize the production of color-fast dyestuffs?" These questions were asked in the letters of the readers I. Lova of Groznyy, N. Kukushkina of Moscow, V. Yefimov of Leningrad Oblast and many others.

Quality is an ancient concept. But now we attach to it a completely new meaning. We do not consider good a garment that is of good quality but old-fashioned. Just as we do not accept inconvenient or ugly clothing. Why is it then that the quality of goods still fairly often does not justify the hopes of consumers?

Ye. P. Kondrat'kov said: "This is a complex problem, and one virtually impossible to resolve by any single subsector. Close cooperation by suppliers is needed to sharply elevate the level of the quality of consumer goods. We are dissatisfied with the low quality of leathers and chemicals, and the supplies of special-purpose equipment are too limited. As a result, the production of goods in special demand among consumers is growing at a much slower rate than needed. Consider for example jogging shoes. We make two-thirds of them with microporous soles. But the fashion is for molded soles of polyurethane foam. The ministry has purchased abroad a new line for their production and installed it at an enterprise. But given the current demand this is only a drop in the bucket. Could it be that our machine builders are incapable of proposing new equipment to industry? No, prototype models have already been developed nearly 20 years ago. But the production of that equipment has not been organized to this very day. The production of polyurethanes also has not been organized. Quite a few other similar instances could be cited....

A. M. Paramonov, too, sharply reproached the chemical and machine building industries:

"The manufacture of fashionable fabrics requires a broad variety of artificial fibers and dyestuffs. But the USSR Ministry of Chemical Industry is passive toward these demands of the textile industry. The external appearance of textiles is determined by their finish, but the requisite equipment is not available. A five-year program for cooperation between the USSR Ministry of Light Industry and the Ministry of Machine Building for Light and Food Industry and Household Appliances has been developed. A large number of joint decisions to expedite the technological modernization of enterprises has been taken. But the matter is proceeding slowly."

G. I. Kurganov, deputy minister of machine building for light and food industry and household appliances, admitted that machine builders are still in great debt to the light and textile industry. The complaints about the quantity and quality of the equipment manufactured by this machine building subsector are valid. And the ministry is taking steps to rectify the situation. For example, recently machine builders have, in cooperation with the USSR Ministry of Light Industry, developed the new "Pnevmorapir" high-capacity weaving machine for manufacturing cotton fabrics. The subsector's experts commenced to develop equipment for textile finishing operations as well.

G. I. Kurganov continued: "But expediting the pace of the production of the needed equipment requires improving the motivation of machine-building enterprises in this respect. The system of indicators serving to evaluate their performance is so structured at present that the fewer new products an enterprise makes the more stable and advantageous its performance is and the higher the bonuses it receives are. In a word, series production in large lots is advantageous. The fulfillment of targets for producing new equipment is far from being a basic criterion. Improved methods of planning and incentives have to be explored so as to eliminate the disadvantages to those enterprises which reorganize more boldly their production in order to manufacture new types of equipment."

V. S. Smirnov, deputy minister of chemical industry, was far from being as self-critical in his comments:

"Recently our ministry has been paying special attention to the needs of light industry. New makes of dyestuffs have begun to be produced, and the fabrication of various fibers for the textile industry is being streamlined. Incidentally, the enterprises of our subsector also manufacture fabrics: their worsted fabrics, for example, are in great demand. Toward the end of the five-year plan their output will increase markedly. Consumers also liked "Sibion," a new synthetic fiber of high-modular viscose processed into linen. We are currently reaching the designed capacity as regards this product, whose output is scheduled to reach 40,000 tons a year..."

It is unlikely, of course, that chemical industry began to be actively engaged in fabricating new fabrics. But the question asked by the deputy minister at this roundtable discussion was different: what measures are being

taken by the subsector to improve the supply of needed materials to the other industries?

When will, finally, the production of new high-grade dyestuffs, fibers, chemicals and other materials needed for the manufacture of clothing, footwear and textiles be properly organized? This time, too, this question has not been answered either.

The recently published decree of the CPSU Central Committee and the USSR Council of Ministers on additional measures to improve the supply of consumer goods points to the need to give priority to the supply of producer goods to the enterprises producing mass consumer goods and the related equipment, raw and other materials and accessories. The accomplishment of this task largely hinges on the USSR Gosplan. In the opinion of certain economists, improving supplies to the subsectors that produce mass consumer goods requires revising the procedure for the allocation of resources. Raw and other materials should be allocated to correspond to a specific roster of orders only after contracts are concluded between industry and trade. What is the position of the USSR Gosplan on this subject? Its representative V. K. Kudelin expressed it as follows:

"In our opinion, the question of when to allocate resources is of no major importance. What is important is that they be used to produce merchandise promptly and adequately. Now that the plans for the next year are being drafted, the USSR Gosplan, jointly with the Gosplan, is working out detailed plan variants for improving the coordination of production targets with raw material resources. Here much and justly has been said about shortcomings in material and technical supplies. How can they be eliminated more rapidly? Every subsector should thoroughly fulfill its supply targets and the economic dependence of the supplier on the user should be strengthened."

#### Our Commentary

Here we repeat, THE FULFILLMENT OF THE TERMS OF SUPPLY CONTRACTS SHOULD BECOME A MAJOR INDICATOR OF THE PERFORMANCE OF THE MINISTRIES AND DEPARTMENTS. Undisciplined partners are obligated to compensate the user for the losses sustained. The point is that this approach should begin to be practiced more rapidly. Fashion needs reliable allies in the form of effective economic instruments.

Organizational interaction is no less important. This roundtable discussion has shown that its participants are more inclined to stress their differences than to explore ways of jointly overcoming economic and technical problems.

The related approach is, as it turns out, limited to concluding a kind of bilateral and multilateral contracts for cooperation in accomplishing some or other specific targets. Considerable efforts and time are spent on drafting joint plans of measures and directives. But it looks like there is no energy or strength of purpose left to implement these plans. We witness here the operation of some syndrome of a limited horizon of the administrative apparatus: we make decisions to be implemented by others. How many times has one heard the remark, made in offices of ministries: "Well, why, to put it mildly, one should try to break open a door that is already open? A decision on this matter has already been made, and the directive has been signed by the



minister!" And how often we encounter the following situation: the decision was made, the plan of measures was prepared and all the approvals have been secured, all of which makes it sound as if the measures have already been taken! But the situation does not improve. Why does it happen? Might not it be because the performance of ministries and departments is largely evaluated according to their ability to draft measures to be taken rather than according to their ability to implement them? Consider that V. S. Smirnov, deputy minister of chemical industry, also has described the future in glowing terms but stumbled when it came to specific questions. Others, too, have been speaking with greater enthusiasm about plans for the future than about the manner in which the preceding (also generally good) plans are being translated into reality.

Lastly, it cannot be overlooked that the participants in the roundtable clearly perceive the shortcomings of the existing practices. It is good that they perceive them. But it is bad that they have perceived them for a long time without doing anything about them. The main thing is not to perceive shortcomings and problems but to eliminate them more rapidly.

#### Why Are Not Makers of Shoddy Goods Ashamed of Themselves?

"I have been trying for a year to exchange an improperly made overcoat. I failed so far, even though I appealed both to the garment industry people and to trade personnel. Who then should defend the interests of the consumer against makers of shoddy goods?" (V. Bachurin, Orel Oblast). "It is time to tighten criminal responsibility for product quality," according to P. Lomakin of Orel Oblast and I. Shevchuk of Leningrad. An opposite opinion is advocated by P. Kopylov of Moscow: "Punishment is not the point. What matters that the awareness itself of being a party to the production of shoddy goods should be unacceptable or, if you like, repugnant to every worker."

V. P. Yuzitskiy informed the roundtable participants: "During the first half of this year the agencies of the Gosstandard inspected the performance of 322 enterprises of the textile and light industry. Nearly four-fifths of these enterprises were found to manufacture products deviating from the standards. About 3 million rubles was deducted from the income plans of these enterprises, plus 15 million rubles deducted from their sales reports."

What substantial losses! To us consumers they mean wasted time and effort in looking for the things we need, which were fated to be unavailable. Who is to be blamed? In this case blaming the suppliers of producer goods or shortcomings in the supply system will do no good. The causes of defective production are due to crude breaches of technological discipline at enterprises and the absence of adequate quality control. How much vexation this causes to consumers!

Sobering? We have many inspection agencies--the OTK (Department of technical control), the State Goods Inspectorate under the Ministry of Trade, the Gosstandard. Why, then, that shoddy goods continue to infiltrate store shelves?

K. V. Bol'shakov:

"They don't just infiltrate but descend like an avalanche on the consumer. Nearly one-half of all mass produced goods does not meet the requisite standards. The OTKs at enterprises merely record the general situation without doing anything to improve quality. As for the possibilities of the agencies of our State Goods Inspectorate, they are extremely limited, since these agencies test only sample lots of goods. We have been proposing that the OTKs be transferred to the jurisdiction of trade."

V. P. Yunitskiy: "Opinions of this kind have often been expressed. Everything will supposedly change once the OTKs are not subordinated to enterprise management. It has even been proposed that they be transferred to the jurisdiction of the Gosstandard. But this is not the solution. Reliable quality control systems should operate at enterprises. The economic and judicial responsibility of suppliers for their performance should be tightened."

"Failure to adhere to the standards is, of course, punishable by the law. But as the existing practice shows, criminal proceedings, when instituted, concern only the heads of enterprises: the director, the chief engineer, the chief technologist. No enterprise is going to sue the individual directly responsible for the shoddy goods when he is an engineer who was slow in taking the necessary production decision or a worker who did not perform an operation conscientiously. The matter is even more complex when some products are passed by quality control inspectors and enter stores but are disliked by consumers. Huge sums are lost by the state each year on cutting the prices of unsalable merchandise, yet no production collective bears material responsibility for this situation. What is more, having properly fulfilled the quantitative plan indicators, the collective even is awarded bonuses."

A. D. Aleshin said: "Of course, individuals directly responsible for shoddy goods should be severely punished. But making someone criminally accountable is no panacea, in my opinion. It is much more important to know how to avert such violations, which result in producing shoddy goods, how to eradicate not the consequences but the causes. The recently adopted Law of Work Collectives grants broad powers in this connection to the brigade, the shop, the enterprise, which merely should utilize them more actively."

(A rather evasive position, isn't it?)

Ye. F. Kondrat'kov joined the discussion: "The establishment of combined-skills brigades whose wages depend on the end-results of their performance is producing excellent results. This form of organization of labor is at present spreading throughout the enterprises of the light industry. The collectives working on the basis of this system increase their productivity and production quality more rapidly and their members are more demanding toward each other."

#### Our Commentary

What impression is produced by comparing the views of the participants in the discussion? Each is right in his own way from the administrative point of view. Ostensibly each champions the interests of consumers, but what is the reality? Let us unravel the chain of logic from the store to the producer's workstation. Were the trade personnel to display a properly principled

approach and refuse to accept shoddy products, these products would lie not on store shelves but in enterprise warehouses. Were the Ministry of Light Industry and the Ministry of Textile Industry to stop revising plans for makers of shoddy goods and start demanding an immediate reorganization of production in the interests of trade, the heads of enterprises would display greater energy and resourcefulness in not just attaining good plan indicators but also meeting consumer demand. Such a turnabout in economic thinking would inculcate a new mentality at workstations, too: the goal of fulfilling quotas would stop overshadowing quality, because the overfulfillment of quotas and plans would then not result in receiving bonuses or awards unless quality requirements also are met.

So far, however, while creating the appearances of an all-out struggle for quality, the responsible officials have become imprisoned in the vicious circle of mutual forbearances. In his dubiously lofty striving to "fulfill the plan at any price," the worker becomes less demanding toward himself. The quality control inspector feels obliged to act as if he does not notice defects in quality. This is how begins the decline in the "coefficient of conscientiousness," which even spreads to the upper echelons of management. How can this be counteracted?

PRIMARILY, CARE SHOULD BE TAKEN TO MAKE THE SYSTEM OF PLAN-ECONOMIC INDICATORS REFLECT THE INTERESTS OF CONSUMERS RATHER THAN ADMINISTRATIVE-GROUP INTERESTS. The dominant rule so far has been "the plan at any price." Now the overriding principle being established is: meet the consumer demand. This approach requires restructuring both the machinery of management and economic thinking. Changing human mentality is a painful, intricate and protracted process. It looks like it should be begun with the simple rule that everyone is under the obligation performing his occupational duties honestly and conscientiously. Trade as personified by its representatives should order and accept from factories only goods needed by consumers. Production as personified by work collectives should produce only what is salable. The organs of technical control, justice and the Gosstandard are expected to guard firmly, solidly and courageously the interests of the consumer against any parochial and administrative selfish and unselfish interests and demands.

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WHAT CAN BE SAID IN CONCLUSION? CLEARLY, NOT ALL THE QUESTIONS ASKED BY OUR READERS HAVE BEEN EXHAUSTIVELY ANSWERED. NEVERTHELESS, IT IS NOT WITHOUT INTEREST TO THE CONSUMER TO LEARN ABOUT THE VIEWS AND CONCERNS OF THE ADMINISTRATORS ON WHOM DEPENDS THE SATISFACTION OF MANY OF OUR VITAL NEEDS. AS CAN BE READILY SEEN, NOT ONE OF THEM IS SITTING IDLY. EVERY ONE OF THEM, ON HIS PART, IS STRIVING TO IMPROVE THE SITUATION. BUT THESE ATTEMPTS AT YET ARE NOT SUFFICIENTLY PRACTICAL AND ENERGETIC, THUS REDUCING THE EFFECTIVENESS OF THE INTENDED MEASURES AND PROGRAMS. IT SEEMS THAT THE DIRECT EXPOSURE OF THE PARTICIPANTS IN THIS NEWSPAPER'S ROUNDTABLE DISCUSSION TO PARTICULAR ISSUES OF CONCERN TO THE READERS, TO THE JUDGMENTS AND EXPECTATIONS OF THE READERS, WILL BE UNQUESTIONABLY USEFUL. THIS IS ALL THE MORE IMPORTANT CONSIDERING THAT SO FAR BOTH TRADE AND INDUSTRY ARE ON THE DEFENSIVE WHEN THE INTERESTS OF CONSUMERS ARE ARGUED. THEREIN LIES THE ROOT OF ALL PROBLEMS. THE SOLUTION: A GENERAL BROADHEARTED ATTACK ON OBSTACLES TO THE INTERESTS OF THE ENTIRE SOVIET PEOPLE.

The editors thank all the readers who have responded to the statements in the column "The Indicator and the Consumer."

## CONSUMPTION TRENDS AND POLICIES

### SUGGESTIONS FOR IMPROVING COMMISSION TRADE ADVANCED

Moscow SOVETSKAYA TORGOVLYA in Russian No 9, Sep 83 pp 12-14

[Article by V. Glyachenkov, chief of the Administration for the Organization of Trade of RSFSR Ministry of Trade]

[Text] The tasks in the development of commission trade in nonfood goods were given concrete expression in the decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Measures To Further Develop Trade and Improve Shopping Opportunities for the Public in the 11th Five-Year Plan." It is recommended that trade organizations guarantee improvement of commission trade, expansion of the network and specialization of commission stores, increase the number of points where used goods are accepted on commission, render services in appraising things in private homes and home pickup of large and heavy things for delivery to the store.

Why is such attention being paid to commission trade? What is its socio-economic significance today?

Certain practitioners feel that the role of commission trade is diminishing as the production of new and fashionable goods increases and the market becomes saturated with them. However, in the 10th Five-Year Plan, for example, the sales of commission trade grew at almost twice the rate of the total volume of retail sales. This trend is persisting even now. In 1982 31.2 percent more nonfood goods were sold through commission stores of state and co-operative trade in RSFSR than in 1980. Sales of all nonfood goods in that period rose 10.2 percent.

Thus commission trade in nonfood goods, which is an integral part of the sphere of the distribution of commodities, is an important source of growth of retail sales, one which moreover requires no sizable material outlays whatsoever.

Individuals accumulate superfluous things which are quite suitable for further use. It is the role of commission trade to see that those articles are sold. Its significance also lies in the fact that by freeing individuals of accumulated items it is creating an impulse for the purchase of new commodities.



The network of commission stores has been developing at a fast pace recently. In the years of the 10th Five-Year Plan their sales floor area in the state trade of RSFSR increased by more than 45,000 square meters, or 40 percent, while the overall growth of all sales floor area was 14.7 percent. Over the period 1981-1982 the network of these stores also increased by 25,000 square meters. In cities and worker settlements in the republic there are about 1,200 commission stores with 183,000 square meters of sales floor area. Their sales in 1982 were 1,804 million rubles. This is a weighty contribution to bolster commodity resources in order to guarantee fulfillment of the plan for retail sales.

The qualitative condition of the network of commission stores is changing. In a number of cities larger and more up-to-date enterprises have begun to be opened. Their average sales floor area has increased to 153 square meters, as against 131 square meters at the beginning of the last 5-year period.

Stores are specializing in taking on consignment children's goods, furniture, radio equipment, sporting goods, clothing, footwear, and so on. Progressive forms of service in these stores have begun to be used more widely, and the list of shopping services offered to the public is expanding.

Yet still the level of development of commission trade does not meet today's needs. The share of the turnover of commission stores in the total volume of commodity sales is inadequate and amounts to about 3 percent.

At present clothing and footwear are holding their traditional leading position in the proportional breakdown of the sales of commission trade (excluding motor vehicles). Not very many durable consumer goods and housewares are attracted. In 1982, for example, sewn garments, knitwear, fur goods and footwear sold through commission stores in the system of RSFSR Ministry of Trade totaled about 400 million rubles, while sales of furniture amounted to only 39 million, electrical goods 7.2 million, and sporting goods 2.9 million rubles.

The opportunities for increasing the sale of goods through commission stores are by no means being taken advantage of. Unhindered acceptance of goods on consignment which have a certain amount of wear, children's goods, used furniture, and various household goods has not been organized in all cities and settlements. Not uncommonly one must wait for a long time in line in order to have an article accepted on consignment.

What are the reasons for these shortcomings, and what are the strategies for development and improvement of commission trade?

We should note first of all that commission trade is poorly organized where local authorities for the administration of trade are not paying it due attention. Quite often ispolkoms of local soviets are reluctant to allocate space to commission stores, and the managers of trade organizations are not showing the necessary initiative and persistence in solving these problems. After all, one of the principal reasons for the poor development of this form of trade is the lack of stores. Even though sales floor area of commission

trade has increased notably as a whole, the assignment of RSFSR Ministry of Trade is not being fulfilled satisfactorily. The network of these stores is developing extremely unevenly from one region to another. Whereas in Volgograd, Rostov, Chelyabinsk, Omsk, Kaliningrad, Yaroslavl, Novgorod and Lipetsk Oblasts and Stavropol, Krasnodar and Maritime Krays the sales floor area of commission stores has reached or passed the standard, the situation is altogether different in Magadan, Irkutsk, Chita, Bryansk and Leningrad Oblasts, Yakutsk, Tuva and Kalmyk ASSR's, Altay Kray, where commission trade is developing poorly. The adequacy of sales floor area is below the average level for the republic (RSFSR) in Mari, Mordovian and Udmurt ASSR's and Tambov, Kaluga and Astrakhan Oblasts. There are not enough commission stores in Moscow.

Moreover, the assessment of this state of affairs has been made, one might say, from yesterday's positions, on the basis of an outdated standard concerning the adequacy of sales floor area. The fact that it is already outdated is indicated by the experience of trade organizations in Volgograd, Rostov-na-Donu, Kirov and Leningrad, where the sales floor area of commission stores has gone beyond that standard, and yet the need is still great.

The decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Additional Measures To Improve the Supply of Consumer Goods to the Public in the Period 1983-1985" attributes a large role to development of commission trade in nonfood commodities in attracting additional commodity resources.

In this connection the USSR Ministry of Trade has drafted and approved new standards for the adequacy of sales floor area of commission stores relative to population for the period 1983-1990. They are considerably higher than those previously in effect. For RSFSR the calculated standard is 3.5 square meters per 1,000 inhabitants. It is moreover differentiated depending on the size of a city's population: for cities with a population between 500,000 and 1 million it is 4 square meters, above a population of 1 million it is 4.5 square meters, and for Moscow and Leningrad it is 5 square meters.

The USSR Ministry of Trade has assigned the trade ministries of the union republics the duty to draft and approve additional assignments for the growth of the network of commission stores with a view to substantially increasing their sales floor area and bringing it up to the calculated standard by 1 January 1987. In view of these requirements RSFSR Ministry of Trade has also worked out targets and has submitted them for approval to the RSFSR Council of Ministers.

Given the general shortage of sales floor area, solving this problem is, of course, a complicated matter, especially for those trade organizations in which the network of commission stores is extremely inadequately developed today.

It has to be borne in mind that some of the necessary sales floor area can be made available through more optimum concentration of the sale of goods and by changing the configuration of the stores.

Commission trade is well-organized in Volgograd Oblast. Conditions for its successful development have been created there in a comparatively short period thanks to respecialization and reconstruction of existing trade enterprises. In just 2 years of the current 5-year period an additional 11 commission stores have been opened with a total sales floor area of 2,600 square meters. Now in the cities of Volgograd Oblast these stores have more than 4 square meters of sales floor area per 1,000 inhabitants.

New enterprises for commission trade are also being built. In Brezhnev, for example, an up-to-date new commission store recently opened with a wide assortment of goods and a sales floor area of about 1,000 square meters. In Kazan they are planning to open a larger store of a similar type.

In connection with the creation of large enterprises, it is advisable to open in microrayons of a city collection centers for receiving articles on consignment from individuals. This practice is being successfully applied in Leningrad. A department store of Lenkomissiontorg with a sales floor area of more than 1,300 square meters and located in the center of the city has 6 stations in various rayons of the city for accepting on consignment sewn garments, knitwear, furs and other goods, a commission store specializing in children's goods (with a sales floor area of 650 square meters), and 3 stations for receiving children's goods. There are plans to develop this form of service in Leningrad in the future as well.

The specialization of stores in commodity groups is an important condition for improvement of commission trade. As a rule the professional level of the personnel is higher in such stores, especially the level of commodity experts who appraise and receive the goods on consignment. In addition, the turnover of goods is speeded up.

It is indispensable to create specialized stores for receiving and selling children's and infant's goods and also goods with more than 50-percent wear. In certain large cities specialized commission stores are being opened to sell carpets and furs.

The growing volume of commission trade and the growth of its physical facilities urgently demand improvement of the organizational forms of its management.

As experience is showing, unification of commission stores into a single structural subdivision is giving good results. For instance, specialized commission marts are in operation in Moscow and Leningrad. In Stavropol and Krasnodar Krays, and in Rostov, Kaliningrad, Kemerovo, Chelyabinsk, Sverdlovsk, Novosibirsk, Kirov, Kuybyshev and certain other oblasts associations have been created and the directorates of commission stores have been unified.

This form of management is conducive to development and improvement of commission trade.

We can cite as an example the experience of the unification of commission stores in Rostov-na-Donu. RSFSR Ministry of Trade held a republic conference-seminar in that city this past June with key officials of the trade ministries of the autonomous republics and trade administrations of obl(kray)ispolkoms on further improvement of commission trade.

The Rostov association, created in 1981, has more than 20 stores. The sales floor area of commission stores there is 3.5 square meters per 1,000 inhabitants. Within the association there are stores specialized in selling children's goods, radio equipment, furniture, carpets and carpet articles, fur and leather goods, and articles with more than 50-percent wear.

A specialized store has been opened in the city to take on consignment and sell motor vehicles, motorcycles and spare parts for them. The registration department of the State Motor Vehicle Inspectorate is located in the store for the convenience of the public. In one and the same place it is possible to cancel the motor vehicle's registration and turn it over to the commission. The store has a well-equipped and covered parking area for the storage and sale of motor vehicles and motorcycles.

Much attention is being paid in the association to expansion of additional services and progressive methods of trade. Merchandise experts have begun to make trips to appraise articles at home, and they are then brought into the stores. All of this has promoted a substantial increase in the various goods accepted for sale on consignment. The association's sales increased 36.2 percent between 1980 and 1982. Every year about 700,000 persons take advantage of the services of commission stores in Rostov-na-Donu. The experience of this association and certain other trade organizations indicate that commission trade can be organized properly.

We would also like to discuss other problems of commission trade.

For instance, sometimes individuals make complaints that things have not been correctly appraised. Conflict situations often arise when goods which are in high demand are turned over to the commission. According to the rules of commission trade, store personnel must appraise things on the basis of their retail prices in effect and taking into account their quality and the demand of consumers, but the prices may not be higher than the established retail prices. If the article has even a little physical wear, a certain reduction from the retail price is made. The size of the reduction may be subjective in nature; the client does not always agree with it, especially when the article is scarce.

Apparently more flexible and improved methods of pricing are needed in commission trade. It is accordingly advisable to establish a procedure in which the client would himself name the price on the thing to be sold, but not higher than envisaged by the price list. The USSR Ministry of Trade plans to conduct such an experiment in one of the union republics. The specific procedure for appraisal and sale of goods may be provided for in a temporary instruction.



A solution is also needed for another problem. Because flea markets have been closed down in most regions, there are restricted channels for selling things which individuals make at home, especially where an adequate network of commission stores has not been created. Yet the makers of these things are making practically no use of the services of commission trade. The reason is the complicated process of filling out papers. Under the present procedure a receipt and label have to be made out on every article to be sold. These clients are, of course, offering for sale several articles all at once, not just one. These circumstances were not provided for in the Rules of Commission Trade and Instruction on Bookkeeping Procedure in Commission Stores. In all probability such goods should be accepted and sold through commission stores according to a different procedure, and the paperwork should be simplified.

Thought might also be given to another form of selling goods made at home. It is a question not only of knitted and sewn garments, headgear and footwear, but also of articles like pottery, large and small articles from wood, woven baskets, and so on. Incidentally, the procedure for accepting such goods on consignment has not been stipulated in the normative acts.

Why, for instance, not organize trade in such goods at kolkhoz markets? The specific space has to be allocated for such purpose and the appropriate store equipment installed. In the design and construction of covered markets it would be wise to envisage space for the trade in such goods.

Experience is suggesting various ways of improving commission trade. It is important to spot in good time the trends taking place in its development, to summarize and disseminate the progressive know-how in this area. Commission trade must make its contribution to performing the tasks of improving shopping services to the public.

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12 DEC. 1983

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